

SEPTEMBER 2014 QUARTERLY ACTIVITIES REPORT

HIGHLIGHTS

STAGE 1 – ANTAS NORTH

- Maiden JORC Reported Ore Reserves for the (Stage1) Antas Copper Deposit¹ were completed. Results confirm a robust and high-grade copper deposit amenable to open pit mining and benefitting from simple metallurgy. Stage 1 JORC Reported Proved and Probable Ore Reserves stand at:

2.649 million tonnes at 3.19% copper and 0.66gpt Gold for 84,518 tonnes of contained copper and 56,277 ounces of Gold²

- A high Resource–Reserve conversion has been achieved with 72% of contained Copper in the Measured + Indicated Mineral Resources converting to Ore Reserves³
- 60% of Ore Reserves are classified as Proved averaging 3.62% Copper grade³
- The Brazilian Government issued the Mining Licence authorising exploitation of Avanco's wholly owned Antas Copper Project
- Grant of a full Mining Licence (ML) by the Ministry of Mines and Energy for the high grade, Antas Copper Deposit, is arguably the most important development milestone achieved to date. This approval illustrates strong support from both the State and Federal authorities for the implementation of Avanco's development plans
- Very good progress has been achieved with mine development engineering and project management. Basic design engineering is 97% complete, while detailed engineering is now 54% complete
- Construction planning is well advanced, tenders for earthworks, civils, structural and other significant contracts are being adjudicated
- Cognisant of the schedule associated with delivery of long lead equipment's Avanco engineers mobilised to the USA to oversee loading of the project Ball Mill and Flotation cells. Metso advised that the first consignment of components for the concentrate dewatering Filter are ready for dispatch to site
- Following Banco Votorantim's approval of a (non-binding) term sheet for US\$30m of senior debt³ the syndication process for the balance of US\$28m is being aggressively pursued. Securing the debt funding represents a critical milestone and largely dictates commencement of construction works
- Regional Exploration drilling commenced, to test five priority drill targets

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STAGE 1 – (ANTAS DEPOSIT)

MAIDEN RESERVES

In less than 3 years from discovery Avanco has defined its Maiden JORC Reported Ore Reserves² at the Antas Copper Deposit located within the boundaries of newly granted Mining License PL470/2014.

Avanco aims to become the Carajas region's second Copper miner by constructing Stage 1 with a Mine Life exceeding 9 years, as supported by the JORC Reported Ore Reserves reported below.

Success at Antas is underpinned by grade. Using a ROM (Run of Mine) cut-off grade of 0.9% Copper, the JORC Reported Ore Reserves and the current Measured + Indicated JORC Reported Mineral Resources³ are tabulated below. Reserves above the 0.65% Copper economic cut-off are also shown below:

ANTAS NORTH – JORC Reported Ore Reserves. August 2014							
Classification	Type	Economic Cut-Off Cu%	Tonnes (Mt)	Copper (%)	Gold (g/t)	Copper Metal (T)	Gold (Oz)
Proved	ROM Ore	0.90	1.385	3.62	0.74	50,137	33,046
Probable	ROM Ore	0.90	1.264	2.72	0.57	34,381	23,231
PROVEN + PROBABLE ROM ORE			2.649	3.19	0.66	84,518	56,277
Proved	Low Grade	0.65	0.342	0.74	0.30	2,531	3,308
Probable	Low Grade	0.65	0.635	0.72	0.23	4,572	4,709
TOTAL PROVEN + PROBABLE			3.63	2.53	0.55	91,621	64,294

A high Resource–Reserve conversion has been achieved with 72% of contained Copper (or 65% by tonnes) in the Measured + Indicated categories converting to Ore Reserves, while 60% of Ore Reserves are classified as Proved with an average Copper grade of 3.62%. Comparative³ JORC Reported Resources (0.9% Cu cut-off), are shown below:

ANTAS NORTH – SULPHIDE JORC Reported Mineral Resources. April 2014 ³							
Classification	Type	Economic Cut-Off Cu%	Tonnes (Mt)	Copper (%)	Gold (g/t)	Copper Metal (T)	Gold (Oz)
Measured	PRIMARY	0.90	2.48	3.26	0.71	80,724	56,751
Indicated	PRIMARY	0.90	1.62	2.22	0.42	36,002	21,884
MEASURED + INDICATED			4.10	2.85	0.60	117,000	79,000

Significant (Inferred) resources excluded from the above exist below the pit floor, and offer potential to extend Mine Life significantly.

The Antas Mineral Resources have been classified and reported in accordance with The Australasian Code for Reporting of Mineral Resources and Ore Reserves (JORC Code 2012).

The reserves derived from the period under study provide for an initial LOM of approximately 9 years, however this exercise does not include Mineral Resources falling outside of the Ore Reserves such as the large volume of Inferred Mineral Resources hosted below the current pit floor. Nor does it consider resources hosted at the neighbouring Antas South Deposit approximately 300m away. These will all be the targets of future exploration, with a view to either open pit or underground exploitation to extend the mine life of the proposed Antas Copper Mine. The newly granted Mining License is host to a number of exciting exploration targets, which will be the target of near mine exploration in the future.

STAGE 1 – REGULATORY

During the quarter, the Brazilian Government issued a Mining Licence authorising exploitation of Avanco’s wholly owned Antas Copper Project.

Grant of a full Mining Licence⁴ (ML) by the Ministry of Mines and Energy for the high grade, Antas Copper Deposit, is arguably the most important development milestone achieved to date. The approval illustrates strong support from both the State and Federal authorities for the implementation of Avanco’s development plans.

Terms of the ML approve establishment of the open pit/mine infrastructures and extends to other known copper prospects for ~7,200 hectares. The ML is valid in perpetuity until Reserves are exhausted, including those from new discoveries hosted within its boundaries.

The ML provides confidence that regulatory success can be repeated at the Stage 2 Pedra Branca project, and is the long awaited catalyst triggering the resumption of drilling.

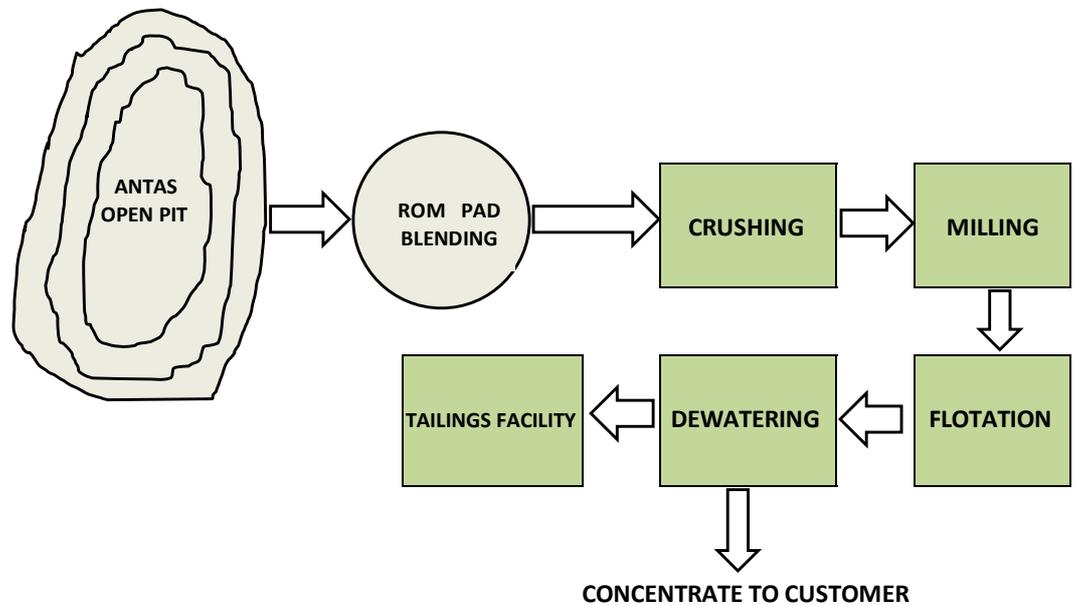
STAGE 1 - DEVELOPMENT

Equipment

On grant of the Mining License Avanco engineers mobilised to the USA for loading of the project Ball Mill and Flotation cells. This equipment is being supplied as a complete milling and flotation circuit including cyclones and slurry pumps. The 12’x 24’ long Ball Mill comes with gearbox, electric motor and clutch. Its grinding capacity is significantly above 400,000tpa ROM and offers opportunity to increment throughput/revisit mine planning schedules

The Flotation cells are also being mustered in Houston and will accompany the Ball Mill to South America. The Company has been notified by Metso that the first consignment of components of the dewatering Filter, are also ready for dispatch to site. The crushing circuit will be first to be set-up on site and commissioned. Local manufacture of this equipment is progressing well in Brazil.

A simplified ROM material flowsheet is illustrated below. Comminution by crushing and grinding followed by flotation is the selected beneficiation process for Antas. Construction of the individual unit operations require supply of key equipment, some of which as have lengthy delivery times and are referred to as “Long Lead” items.



For implementation of the Antas Copper Mine, Long Lead time equipment includes:-

- Simplex Jaw Crusher - (Brazil supply)
- Simplex Secondary Cone Crusher/screen (Brazil supply)
- Metso Ball Mill - (supplied from USA)
- OK38 Rougher cells x 2 - (supplied from USA)
- OK 38 Rougher Scavenger cells x 2 - (supplied from USA)
- Denver 21 Cleaner x 18 - (supplied from USA)
- Metso Filter - (supplied from Europe)

Timely delivery of the above represent critical project milestones. The Company's philosophy is that the "Construction Owners Team" will actively participate in all critical activities. Loading and transportation of the Ball Mill/flotation cells is an important operation and warranted dispatch of a very capable experienced Avanco engineer (to the United States) to oversee loading.

Crushing Circuit

ROM (Run of Mine) ore from the open pit will be stockpiled on the ROM Pad some 500m from the pit. Due to the high grade nature of mineralisation, blending will be undertaken before feeding the ore to the crushing plant. This new facility comprises a primary jaw and secondary cone crusher. The 25 tonne, 1000mm x 800mm jaw crusher comes trailer mounted, for ease of start-up and commissioning.

The 1200mm diameter by 18 tonne cone crusher is closed-circuited with a double deck screen and is all rated to produce to 260 tonnes per hour of ~19mm crushed product. The crushed ore will be stockpiled before being fed to the Ball Mill grinding circuit.

The crushing equipment is being manufactured in Belo Horizonte Brazil and is expected to be available ex works as early as mid-November.



AVANCO'S SECONDARY CONE CRUSHER

Grinding Circuit – Primary Ball Mill

The Metso Ball Mill is being mustered in Houston Texas awaiting shipping to Brazil next month. Manufactured in 2007 the mill is unused and in excellent condition. It is configured as a traditional overflow type mill and comes with a 4000 volt 60Hz motor, and an air clutch system for assisted starting.

Equipped with a 1350Kw drive, the grinding capacity of the ball mill when treating Antas ore (Av BWI 16KW/t) is significantly oversized, offering the potential to increase throughput, co-treat lower grade ores, and/or play catch-up.

The 19mm crushed ore will be fed into the ball mill and ground with water to produce a slurry with 80% of the particles ground to a size smaller than 150µm. The mill discharge will be pumped to the flotation process using slurry pumps.



**BALL MILL ON
ROUTE TO
CARAJAS**



MILL TRUNION COVER



**AVANCO OVERSEEING
SAFE LOADING
OPERATIONS**



MILL HEAD END



**MILLING CIRCUIT
SUPPLY COMPLETE WITH**

Flotation Beneficiation Plant

Antas ore is mineralogically simple with copper present in the form of chalcopyrite (CuFeS₂). This has been demonstrated to respond very well to the application of traditional flotation concentration. The flotation process internal sub-circuits comprise Rougher-Scavenger & Cleaner flotation components. The former is made up of four OK38 cells, while the Cleaning will be done by eighteen Denver 21 cells. These units have all been refurbished and are awaiting shipment along with the Ball Mill.

The float circuit has been very generously sized, and configured to replicate the neighbouring very successful Sossego Copper plant design. Between the conservative sizing, high-grade ore and simple metallurgy, management anticipate that high copper recoveries will be achieved.

The function of flotation is to separate the slurry discharged from the ball mill into two streams. One stream representing only 10% by weight of the flotation feed but recovering/containing around 97% of the copper and 90% gold (into an enriched slurry assaying around 28% Cu, this stream is referred to as the “final concentrate”). The remaining 90% of the slurry reports to the second stream, and being devoid of copper and sulphides - this “final tailings” product is directed to the tailings management facility.



OK 38 TROUGH TYPE FLOTATION CELLS FOR ROUGHER-SCAVENGER DUTY

OK 38 FLOAT CELL STATOR



PART OF THE DENVER 21's – CLEANER CIRCUIT CELLS

The flotation process design flow sheet uses a traditional rougher-scavenger and two cleaning stages. It can operate with cleaners in open or closed circuit.

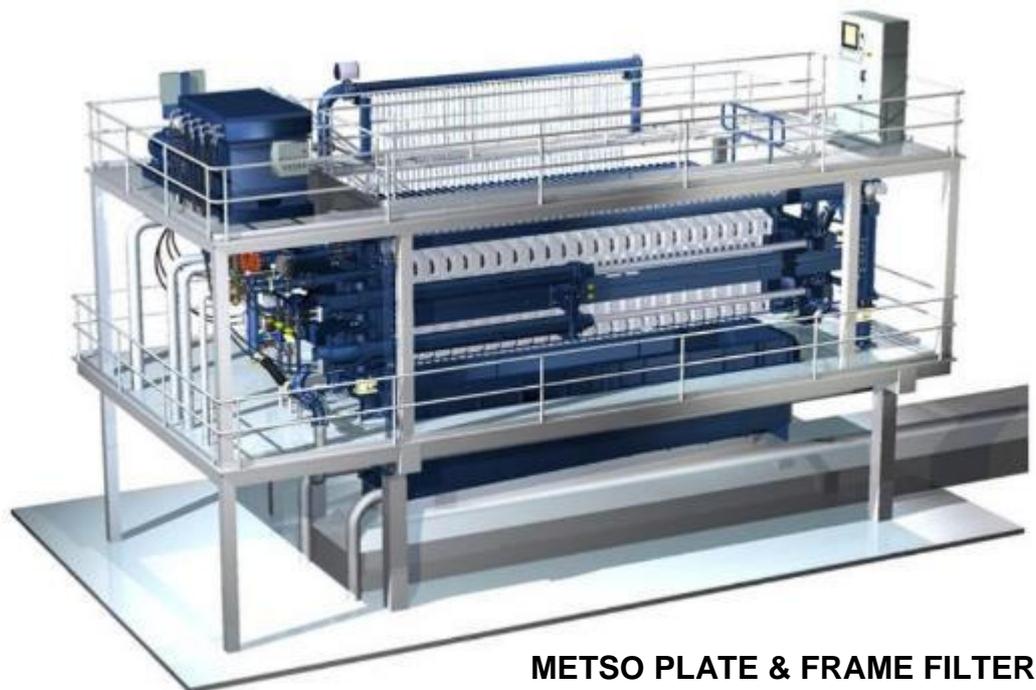
The flotation plant has been designed for inclusion of a regrind ball mill to facilitate upgrading of the final concentrate. It is not yet confirmed if this regrinding stage is essential. Flotation circuit design will comfortably accommodate ores with copper grades up to 10% Copper.

Dewatering Filter

The final concentrate slurry produced by flotation cannot be sent to customers without prior removal of excess water. International shipping standards set “Transportable shipping Limits” (TML) on moisture content for copper concentrates – typically approximately 8%.

At Antas, a brand new Metso plate and frame filter press, supplied from Europe, will carry out the required dewatering operation. The Metso filter is arguably the best and most reliable of its kind and its \$2.3 million price tag reflects its premium status.

The unit is conservatively sized and comes fully automated. The Sossego Mine has two of these same units, which have been working successfully for many years and provides management with confidence in the Metso selection. The Company has been advised that the first consignment of components is ready for dispatch with the balance of items expected to arrive in Brazil during December.



METSO PLATE & FRAME FILTER

Design Engineering

ONIX Engenharia of Belo Horizonte, Brazil was engaged to develop the Basic and Detailed Engineering associated with the Plant and Infrastructure. ONIX are a well-respected local company supplying all levels of mine design engineering. The ONIX team are progressing the plant design with assistance of the Avanco team which are also resident at ONIX’s office.

Basic design engineering is 97% complete, detailed engineering 54% complete. Figures at the end of this document show the Site Layout/Design, and Design Engineering Summary plan for the Antas Process Plant.

Project management, engineering and planning exercises have confirmed that pre-production Capex is ~US\$60 (~US\$50m construction + ~\$10m contingency) and that a construction will take six to nine months. Variance on site works duration is associated with potential impact of local holidays and weather.

The award of engineering to ONIX followed on from the purchase of all major plant components. The total commitment represents approximately US\$6.0M which is being settled according to extended payment terms (some going out to December) and from cash reserves. Approximately US\$4M has already been paid.

Importation of the Ball Mill & Float cells is targeted for November. The Metso filter is scheduled for import in December and therefore remains on critical path.

Detailed engineering design for the Tailings Dam has already been awarded to another local group ALB and GeoHydroTech Engenharia who are highly experienced in design and construction of tailings impoundments in Brazil.

Construction implementation planning is well advanced with tenders for earthworks, civils and structural contracts currently being adjudicated. Management anticipate executing all pre-requisite contracts, access and utility easement's agreements etc and to be poised and ready for construction before the end of the fourth quarter.

Marketability of Copper Concentrates

Confirmatory testing illustrates that concentrates with acceptable copper grades can be easily produced with very low concentrations of deleterious elements, and indicate that the Antas concentrates are a readily saleable product.

Samples of concentrate have been produced, and sent out to two potential off-take parties for their own analysis. Several other off-take parties have demonstrated interest in purchasing the Antas Concentrate and negotiations are ongoing.

STAGE 1 – PROJECT FINANCE

Stage 1 investment is estimated at US\$70m (US\$50m Pre-production + US\$10m contingency +US\$10m working capital)⁵. Funding of the US\$70m is being facilitated by senior debt from Brazilian Banks and from funds to be provided by BlackRock World Mining Trust PLC (BlackRock) in exchange for a Royalty² investment.

The latter of the above has already been secured with the execution of an agreement with BlackRock World Mining Trust PLC (BlackRock) for US\$12m of non-dilutive production Royalty² funding. . The aforementioned was triggered by successful completion of the condition precedents i.e. JORC Reserves and issue of the Mining Licence. This transaction is the first, firm and secured funding parcel for development of the Antas Copper Mine and is available to be drawn down pro-rata alongside the senior debt.

In pursuing the debt component Avanco has agreed terms with Banco Votorantim for US\$58m of senior debt⁷ and their credit committee have since approved a (non-binding)

term sheet for US\$30m of debt³. Votorantim were appointed lead banker to syndicate the remaining US\$28m to other local banks. The syndication process is being aggressively pursued with a number of Brazilian banks vying for participation in the financing.

Due-diligence by the banks on the Antas Reserves and Engineering is on-going. Avanco does not envisage any surprises or delays arising from due-diligence and is aiming to complete the debt funding programme during Qu4. The Company is financially strong and can draw on its cash reserves to initiate site works as soon as preliminary funding terms have been confirmed with the syndicate.

STAGE 2 (PEDRA BRANCA PROJECT)

Various mining methods and mine scheduling options appear feasible for exploiting Pedra Branca as a substantial underground mining operation. The alternatives continue to be technically and economically evaluated with a view to determining a number of development profiles, including highest NPV and lowest pre-production Capex.

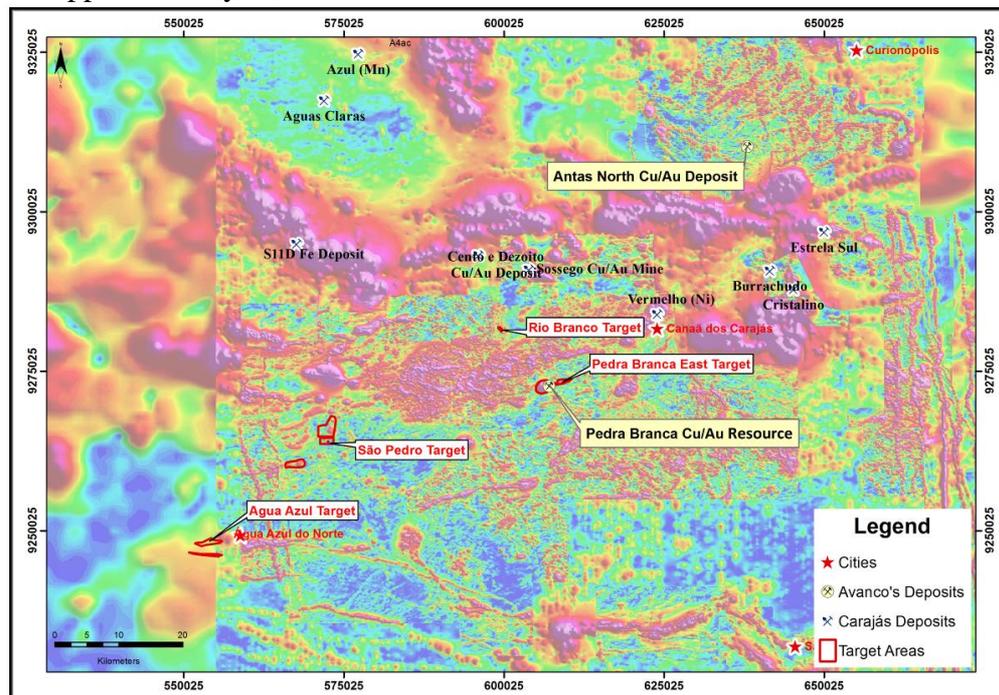
Recent changes in the JORC Code oblige Avanco to significantly increase the size of the infill drill programme to achieve an upgrade in resource confidence from the Inferred to Indicated category, which is a priority and pre-cursor for any “decision-to-mine”.

The Company plans to commence infill drilling at Pedra Branca following achievement of Stage 1 finance.

REGIONAL EXPLORATION

A drill rig has been mobilised to test five targets identified in the Company’s land portfolio. Targets are located in licenses proximal to the Company’s Stage 2 – Pedra Branca project within the favoured northeast-southwest structural trend that cuts perpendicularly across the Carajás lithology.

Targets include Pedra Branca East, São Pedro, Água Azul and Rio Branco. The program of approximately 2,500m will run for the remainder of the 2014 field season.



CORPORATE

Implementation of the Antas Copper Mine remains the primary focus.

On completion of debt financing (anticipated during the current quarter) focus will be re-directed to Construction Management/Cost control with mobilisation of site contractors.

Construction will likely extend over a 6-9 months and current forecasting schedules plant commissioning beginning end Q2-Q3 2015.

Cash at bank as of 30 September 2014 was AU\$25.23M. The Company will continue to draw on its strong cash position to accelerate development activities and squeeze-up schedule.

The Company continues to seek opportunities for growth in Carajas. The recent issue of the Antas Mining License underscores Avanco's strategy in continuing to explore in a mining friendly jurisdiction. Exploration has commenced west of Pedra Branca with a 2,500m drill programme targeting new a discovery (Stage 3)

The Company's Annual General Meeting will be held on 7th November 2014 at the Sutherland Room, City West Reception Centre, 45 Plaistow Mews, West Perth.

As part of on-going corporate re-organisation aimed at improving "Operational Readiness" Mr Colin Jones was appointed as Chairman of the Board with Mr Matthew Wood subsequently resigning his directorship during the quarter.

Tony Polglase
Managing Director

ABOUT AVANCO

- Avanco (ASX-AVB) is an emerging mid-tier copper company focussed in the mining friendly world class Carajas Mineral Province, Brazil. The Company either owns, or holds the rights to 100% of the second largest area of mineral tenure in the region (behind Vale SA)
- The Company is ultimately well positioned to potentially operate a number of high grade, low cost copper / gold mines in the region which will establish Avanco as a profitable long life copper company in Brazil
- The Antas Copper Mine (Stage 1) is Avanco's first mine development. It was granted a full Mining License in September 2014 and has JORC Reported Ore Reserves (Proved + Probable) of 2.649 million tonnes at 3.19% copper and 0.66gpt Gold for 84,518 tonnes of contained copper and 56,277 ounces of Gold at a 0.9% Cu cut-off
- US\$70m of project funding is aligned to the start of Stage 1 construction in 2014, with first production targeted for 2015. Timely implementation of Stage 1 is being pursued to help finance the Company's second copper project
- Pedra Branca, known as Stage 2 is located in the same district as Stage 1. Pedra Branca is the Company's next project and is considerably larger. Infill drilling, aimed at improving Resources classification will facilitate "a decision to mine" in 2015
- The Company has ~1.661m shares on issue and is well supported by: Glencore ~12.2%, Blackrock World Mining Trust ~11.5%, and the Appian Natural Resources Fund ~11.5 %
- Avanco is managed by highly experienced international and Brazilian mining professionals who are predominantly Portuguese speaking
- Whilst near term priorities are focussed on transition to copper producer status the Carajas offers significant other opportunities to enhance shareholder value over time

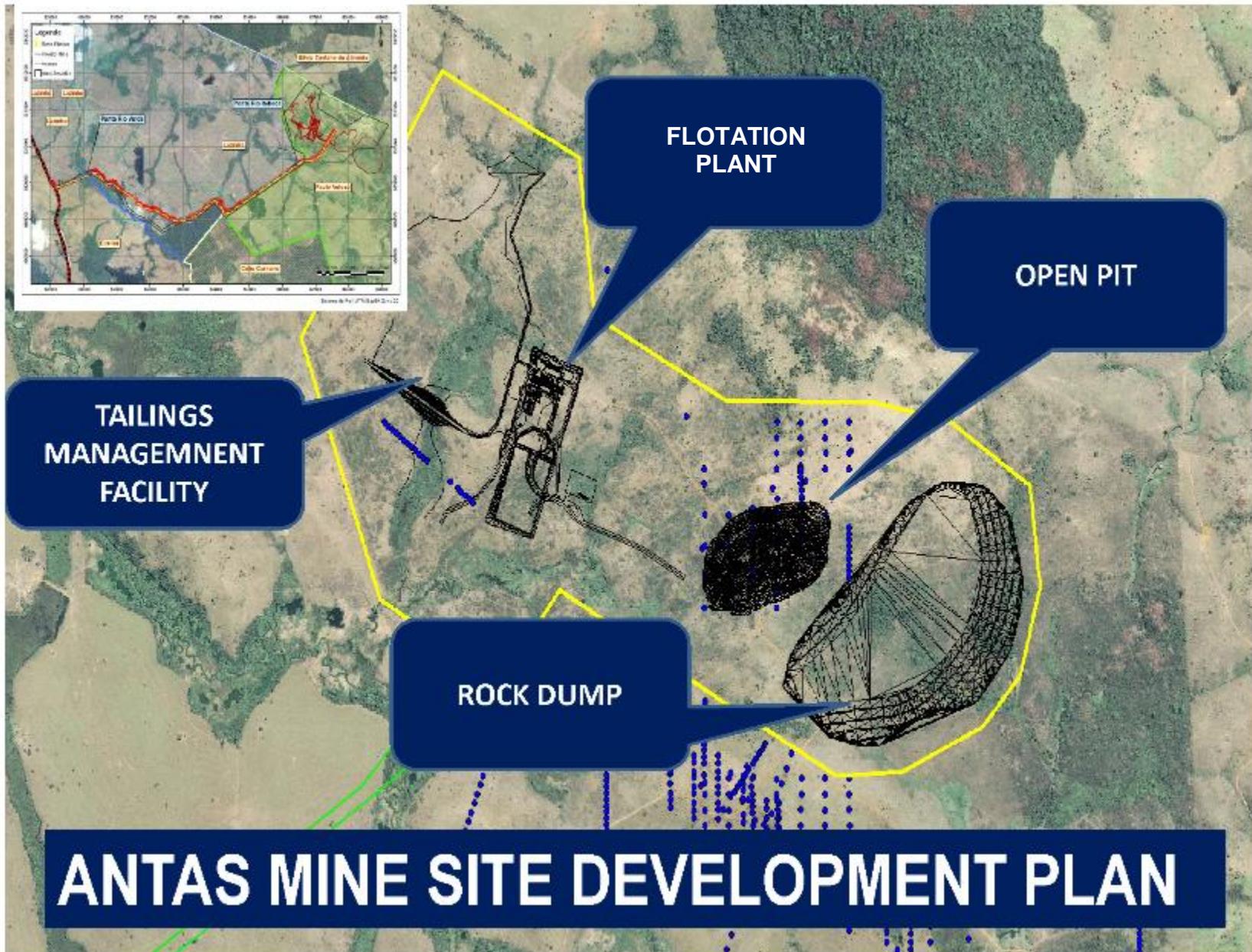
CARAJAS - TOTAL JORC Reported Mineral Resources ^{5,6,7,8}						
DEPOSIT	Category	Million Tonnes	Cu (%)	Au (ppm)	Copper Metal (T)	Gold Metal (Oz)
PEDRA BRANCA ⁹	Inferred	46.82	1.20	0.33	560,000	500,000
	Total	46.82	1.20	0.33	560,000	500,000
ANTAS NORTH ¹⁰	Measured	2.83	3.01	0.72	85,079	65,578
	Indicated	1.65	2.20	0.42	36,365	22,058
	Inferred	1.9	1.59	0.23	30,242	14,122
	Total	6.38	2.38	0.50	152,000	102,000
ANTAS SOUTH ¹¹	Measured	0.59	1.34	0.18	8,000	3,000
	Indicated	7.5	0.7	0.2	53,000	49,000
	Inferred	1.99	1.18	0.2	24,000	13,000
	Total	10.08	0.83	0.2	85,000	65,000
TOTAL		63.28	1.26	0.33	797,000	667,000

ANTAS NORTH – JORC Reported Ore Reserves. August 2014 ^{2,14}							
Classification	Type	Economic Cut-Off Cu%	Tonnes (Mt)	Copper (%)	Gold (g/t)	Copper Metal (T)	Gold (Oz)
Proved	ROM Ore	0.90	1.385	3.62	0.74	50,137	33,046
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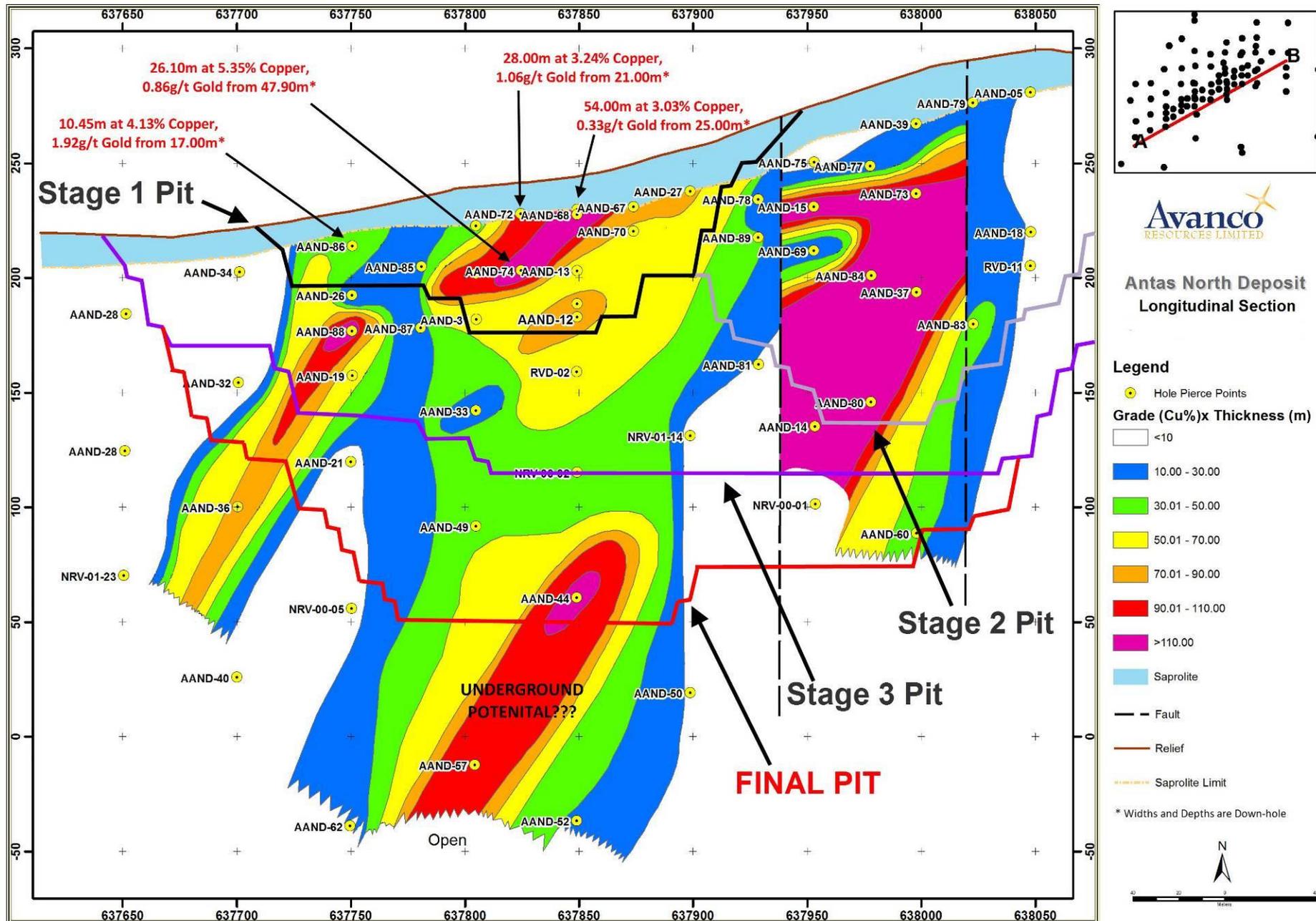
Competent Persons Statement

The information in this report that relates to Mineral Resources and Exploration Results is based on information compiled by Mr Simon Mottram who is a Fellow of the Australasian Institute of Mining and Metallurgy. Mr Mottram is an Executive Director of Avanco Resources Limited, in which he is also a shareholder. Mr Mottram has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person (CP) as defined in the 2012 Edition of the Joint Ore Reserves Committee (JORC) "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Mottram consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

1. The orebody is defined as an Iron Oxide Copper Gold (IOCG) deposit, typical of that found in the Carajas Province of Brazil, and well documented in respected geological texts
2. JORC Reported Proved + Probable Reserves using the ROM 0.9% Cu cut-off grade
3. See ASX Announcement "Maiden Reserves Exceed Expectations for Antas Copper", 17 September 2014, for Competent Person's Consent, material assumptions, and technical parameters underpinning the reserve estimate
4. For full details and JORC Table 1 detailed information see ASX Announcement "Stage 1 set to excel on new high grade Copper Resource", 7 May 2014
5. See ASX announcement "Mining License Granted for Stage 1", 11 September 2014
6. See ASX Announcement "Stage 1 set to excel on new high grade Copper Resource", 7 May 2014, for Competent Person's Consent, material assumptions, and technical parameters underpinning the Antas North resource estimate
7. See ASX announcement "Stage II – Pedra Branca Resource Upgrade", 24 June 2013, for Competent Person's Consent, material assumptions, and technical parameters underpinning the Pedra Branca resource estimate
8. See ASX announcement "Major Resource Upgrade for Rio Verde", 8 February 2012, for Competent Person's Consent, material assumptions, and technical parameters underpinning the Antas South resource estimate
9. The Pedra Branca and Antas South JORC compliant resources were prepared and first disclosed under the JORC Code 2004. They have not been updated since to comply with the JORC Code 2012, on the basis that the information has not materially changed since it was last reported
10. Grade Tonnage Reported above a Cut-off Grade of 0.4% Cu for Primary Resources only
11. Grade Tonnage Reported above a Cut-off Grade of 0.9% Cu for Primary Resources only
12. Grade Tonnage Reported above a Cut-off Grade of 0.3% Cu for Oxide Resources
13. Copper mineralisation composed of oxides
14. The Measured and Indicated Resources are inclusive of those Mineral Resources modified to produce the Ore Reserves.



ANTAS COPPER MINE – SITE LAYOUT



ANTAS NORTH DEPOSIT LONG SECTION. Showing coloured by grade/thickness, and showing Staged Pit Designs

Appendix 1 – Interests in Mining Tenements Held

Project	Property Name	Tenure Title Holder	Interest %	AREA (ha)	DNPM No of Area	Status of Tenure
STAGE 1	RIO VERDE	AVB	100	9,300	853.714/93	Final Report Approved
	SERRA VERDE	AVB	100	7,359	850.892/06	^
	SERRA VERDE	AVB	100	2,391	850.622/07	#
	AGUA BOA	VDM	100	1,327	850.016/13	#
	AGUA BOA	ARM	100	8,907	850.823/05	***
	AGUA BOA	ARM	100	6,552	850.121/09	Granted to 2016
	AGUA BOA	ARM**	100	4,230	850.825/05	***
	AGUA BOA	VDM	100	8,957	850.826/12	***
STAGE 2	PEDRA BRANCA	VDM	100	3,195	850.318/00	Final Report Approved
	PEDRA BRANCA	VDM	100	2,825	850.448/05	Granted to 2014
	PEDRA BRANCA	VDM	100	5,381	850.575/05	Granted to 2014
	PEDRA BRANCA	VDM	100	2,655	850.829/06	Granted to 2014
	PEDRA BRANCA	VDM**	100	722	850.218/00	Granted to 2015
	PEDRA BRANCA	VDM**	100	9,997	850.015/08	Granted to 2016
	PEDRA BRANCA	VDM	100	8,881	850.570/03	Granted to 2016
	PEDRA BRANCA	AVB	100	4,106	850.202/13	Granted to 2016
	PEDRA BRANCA	VDM	100	9,391	850.707/09	Granted to 2017
	PEDRA BRANCA	VDM	100	9,879	850.526/04	Granted to 2017
	PEDRA BRANCA	VDM	100	1,040	850.278/05	Granted to 2017
	PEDRA BRANCA	VDM**	100	240	850.217/00	***
	PEDRA BRANCA	VDM	100	9,988	850.226/09	^
	PEDRA BRANCA	EST	#	4,999	850.700/13	#
	PEDRA BRANCA	AVB	#	598	300.420/11	#
	PEDRA BRANCA	VDM**	#	4,980	850.146/95	#
	PEDRA BRANCA	VDM**	#	9,993	850.173/02	#
	PEDRA BRANCA	VDM**	#	9,755	850.181/01	#
	PEDRA BRANCA	VDM**	#	10,000	850.300/93	#
	PEDRA BRANCA	VDM**	#	9,859	851.067/07	#
	PEDRA BRANCA	AVB	#	5,000	851.674/11	#
	PEDRA BRANCA	VDM	#	7,770	850.780/12	#
	PEDRA BRANCA	EST	#	1,904	851.037/13	#
	PEDRA BRANCA	VDM	#	7,770	851.195/12	#
	Trindade North	TRINDADE NORTH	AVB	100	4,967	850.283/99
TRINDADE NORTH		ARM	#	4,967	850.281/13	#
Touro Nickel Project	TRINDADE SOUTH	AVB	100	48	850.568/11	Granted to 2014
	TRINDADE SOUTH	AVB	100	49	850.567/11	Granted to 2015
	TRINDADE SOUTH	AVB	#	9,797	850.781/13	#
	TRINDADE SOUTH	AVB	#	9,797	850.569/11	***
Regional Exploration	CARAJAS NORTH	VDM	#	4,347	850.015/13	#

AVB = AVB Mineracao ARM = Avanco Resources Mineracao VDM = Vale Dourado Mineracao EST = Estela do Brazil Mineracao

* Renewable on approval of the Final Exploration Report by the National Department of Mineral Production. Awaiting final decision.

** Expected to be, or awaiting or in the process of being transferred into respective subsidiary

*** Subject to pending legal process

**** Option Agreement

^ Application for an extension for further three year term, awaiting decision

New application for exploration permit (size of tenement may be reduced/reshaped, if approved and before approval)

Summary of Exploration and Evaluation Expenditure Incurred per Project

Project	Current Quarter Payments \$A'000
Stage 1	1,500
Stage 2	2,224
Regional Exploration	-
Total	3,724