ASX Release
27 January 2015

FUNDING PROGRESS TRIGGERS RETURN TO PEDRA BRANCA

The Company is pleased to report commencement of the Pedra Branca[1] Resource Upgrade drill programme. This follows encouraging progress pertaining to the Antas (Stage 1) debt facility. Two rigs have been mobilised with the first holes already collared.

Avanco is seeking to add value to it second and proximal much larger Pedra Branca (Stage 2) high grade copper project by way of this infill drill programme. On completion the Company aims to roll out a Scoping Study supporting a "Decision to Mine" in 2015. Management anticipate aligning cash flow from Antas with development expenditure at Pedra Branca.

HIGHLIGHTS

- **Banco Votorantim (Antas syndication leader) is committed to delivering the debt facility for Stage 1. Interrogation of term sheets has concluded with two blue-chip Brazilian groups being shortlisted. Syndication will likely proceed with one, or both of these parties targeting completion before end of current quarter**
- **With prospective syndicating groups sharing a longer term copper focus, Avanco understands that the much bigger Pedra Branca Project is considered a financial "incentive" representing further opportunity for the Brazilians to grow their mining book**
- **With cautious optimism in the Antas financing process the Board has approved the resumption of Pedra Branca drilling**
- **In recognising the priorities, the Stage 2 programme takes precedence over the recent exciting discovery at Nova Esperança. An update for Nova Esperança is pending final assay results**
- **Two drill rigs are operational at Stage 2 and on schedule to deliver an upgrade to the classification of JORC Reported Resources on completion of the current infill drilling**
- **Amounting to ~4,000m of diamond drilling, the programme aims to upgrade ~50% of the current Inferred JORC Reported Resources to Indicated category**
- **The increased Resource confidence will, initially underpin a Scoping Study which could subsequently improve to Pre-feasibility level as the Indicated category grows to exceed 50%**
- **Debt funding progress and the start of Pedra Branca drilling commences what promises to be a very exciting year for Avanco. News flow is expected to be continuous with results from the Antas Feasibility Study and Stage 3 regional exploration anticipated soon**

Level 3, 680 Murray Street
West Perth. WA 6005

PO Box 1726
West Perth. WA 6872

Tel: +61 8 9324 1865
Fax: +61 8 9200 1850

Contact:
Tony Polglase
Managing Director

E-mail:
info@avancoresources.com

For the latest news:
www.avancoresources.com

Drill Rig at Pedra Branca - APBD-15-40

STAGE 2 – PEDRA BRANCA COPPER PROJECT

Pedra Branca is the Company's second copper project located 50km southwest of the Avanco's Stage 1 (Antas Copper Deposit**).**

Stage 2 is much bigger and has the potential to feature both open-pit and underground mining operations. Like Stage 1, Avanco owns 100% of the rights to Pedra Branca.

Whilst the Company's project team is preparing to commence construction of the Antas Copper Mine, the exploration division has returned to the field to focus on the resource upgrade at Pedra Branca and the regional search for the next (*Stage 3)* project.

The Board is committed to the drill-out of Pedra Branca and identifying new opportunities for resource growth. An exploration programme testing three of five targets was completed in 2014.

Rigs have since been rescheduled and mobilised to Pedra Branca for the resource upgrade programme following encouraging feedback from (Stage 1) debt financing activities in Brazil.

This drill programme consists of ~4,000m of diamond drilling and aims to upgrade approximately 50% of the current Inferred JORC Reported Resource to the Indicated category. This level of confidence will support the timely completion of a Scoping Study, and if greater than 50% is upgraded to Indicated Category, this could serve to underpin a higher level Pre-feasibility Study. A minimum of two rigs will be operational and expected to complete the programme within two to three months.

Avanco remains committed to an aggressive target of attempting to reach a "decision to mine" before end 2015. On reaching a positive “Decision to Mine” the Company anticipates (during the first half of 2016) opening the Box Cut, establishing the portal, and commencing the ramp into the Pedra Branca East Orebody. A phased approach to Pedra Branca is likely to deliver an attractive mining opportunity with minimal risk and capital drain. Commencing Stage 2 in the East provides fastest access to the high-grade, followed by subsequent development and expansion into the Western Orebody.

Options continue to be technically/economically evaluated with a view to determining a number of development profiles, including highest NPV and lowest pre-production Capex, and this will be a focal point of the ensuing Scoping Study.

Regulatory and environmental permitting forms an integral part of this process, and is being pursued in parallel with technical deliverables. The DNPM[2] has approved the Pedra Branca Mineral Resources[3], this represents an important milestone paving the way for further regulatory submissions pursuant to a full Mining License. Access agreements have been executed and the mandatory (PEA) Economic Mining Study[4] has been submitted to the authorities.

In recognising expenditure priorities the Stage 2 programme takes precedence over the recent discovery at Nova Esperança (prospective Stage 3). Moreover, those regional exploration targets not tested in 2014 (São Pedro and Água Azul) are also being rescheduled. An update on the exciting Nova Esperança discovery will be provided as soon as assays become available.

Tony Polglase
Managing Director

ABOUT AVANCO

- Avanco (ASX-AVB) is an emerging mid-tier copper company situated in the mining friendly world class Carajas Mineral Province, Brazil

- The Carajas hosts the worlds greatest concentration of large tonnage IOCG copper gold deposits and Avanco 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 producer throughout a period of expected increasing copper pricing

- 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 being aligned to the start of Stage 1 construction in early 2015, with commissioning targeted for Q4 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. This represents the Company's next project and is considerably larger. Infill drilling, aimed at improving Resources classification and facilitating "a decision to mine" is being progressed

- 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 and resource growth, the Carajas offers significant opportunities to enhance shareholder value over time

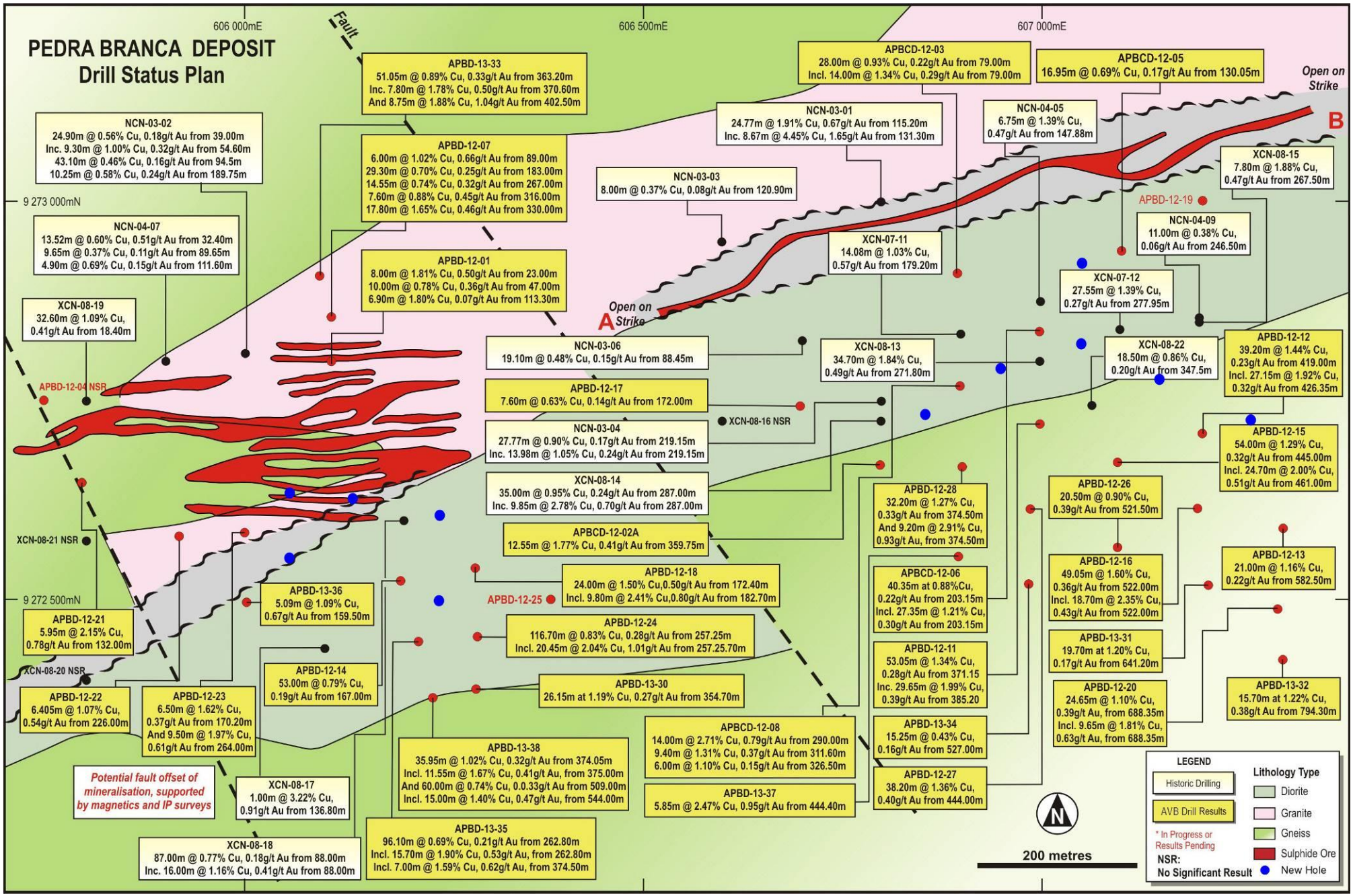
CARAJAS - TOTAL JORC Reported Mineral Resources[5,6,7,8]						
DEPOSIT	**Category**	**Million Tonnes**	**Cu (%)**	**Au (ppm)**	**Copper Metal (T)**	**Gold Metal (Oz)**
PEDRA BRANCA[9]	Inferred	46.82	1.20	0.33	560,000	500,000
	Total	**46.82**	**1.20**	**0.33**	**560,000**	**500,000**
ANTAS NORTH[10]	Measured	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[12,13,14]							
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
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**

Competent Persons Statement

The information in this report that relates to 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. Brazilian National Department of Mineral Production
3. The mineral resources for license 850.318/00 hosting Stage 2 (Pedra Branca) have been evaluated by the DNPM and the Final Exploration (Mineral Resources) Report is considered satisfactory and thus has been approved
4. The Mining Study (or PAE) represents an economic evaluation of the exploitation of the "Mineral Resources".
5. 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
6. 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
7. 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
8. 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
9. Grade Tonnage Reported above a Cut-off Grade of 0.4% Cu for Primary Resources only
10. Grade Tonnage Reported above a Cut-off Grade of 0.9% Cu for Primary Resources only
11. Grade Tonnage Reported above a Cut-off Grade of 0.3% Cu for Oxide Resources
12. JORC Reported Proved + Probable Reserves using the ROM 0.9% Cu cut-off grade
13. 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 Antas North JORC (2012) Reported Reserve estimate
14. Measured and Indicated Resources are inclusive of those Mineral Resources modified to produce the Ore Reserves


PEDRA BRANCA DEPOSIT
Drill Status Plan
606 000mE
606 500mE
607 000mE
Fault
9 273 000mN
9 272 500mN
NCN-03-02
24.90m @ 0.56% Cu, 0.18g/t Au from 39.00m
Inc. 9.30m @ 1.00% Cu, 0.32g/t Au from 54.60m
43.10m @ 0.46% Cu, 0.16g/t Au from 94.5m
10.25m @ 0.58% Cu, 0.24g/t Au from 189.75m
APBD-13-33
51.05m @ 0.89% Cu, 0.33g/t Au from 363.20m
Inc. 7.80m @ 1.78% Cu, 0.50g/t Au from 370.60m
And 8.75m @ 1.88% Cu, 1.04g/t Au from 402.50m
APBCD-12-03
28.00m @ 0.93% Cu, 0.22g/t Au from 79.00m
Incl. 14.00m @ 1.34% Cu, 0.29g/t Au from 79.00m
APBCD-12-05
16.95m @ 0.69% Cu, 0.17g/t Au from 130.05m
Open on Strike
B
NCN-03-01
24.77m @ 1.91% Cu, 0.67g/t Au from 115.20m
Inc. 8.67m @ 4.45% Cu, 1.65g/t Au from 131.30m
NCN-04-05
6.75m @ 1.39% Cu,
0.47g/t Au from 147.88m
XCN-08-15
7.80m @ 1.88% Cu,
0.47g/t Au from 267.50m
APBD-12-07
6.00m @ 1.02% Cu, 0.66g/t Au from 89.00m
29.30m @ 0.70% Cu, 0.25g/t Au from 183.00m
14.55m @ 0.74% Cu, 0.32g/t Au from 267.00m
7.60m @ 0.88% Cu, 0.45g/t Au from 316.00m
17.80m @ 1.65% Cu, 0.46g/t Au from 330.00m
NCN-03-03
8.00m @ 0.37% Cu, 0.08g/t Au from 120.90m
APBD-12-19
NCN-04-09
11.00m @ 0.38% Cu,
0.06g/t Au from 246.50m
NCN-04-07
13.52m @ 0.60% Cu, 0.51g/t Au from 32.40m
9.65m @ 0.37% Cu, 0.11g/t Au from 89.65m
4.90m @ 0.69% Cu, 0.15g/t Au from 111.60m
APBD-12-01
8.00m @ 1.81% Cu, 0.50g/t Au from 23.00m
10.00m @ 0.78% Cu, 0.36g/t Au from 47.00m
6.90m @ 1.80% Cu, 0.07g/t Au from 113.30m
XCN-07-11
14.08m @ 1.03% Cu,
0.57g/t Au from 179.20m
XCN-07-12
27.55m @ 1.39% Cu,
0.27g/t Au from 277.95m
XCN-08-19
32.60m @ 1.09% Cu,
0.41g/t Au from 18.40m
Open on Strike
A
NCN-03-06
19.10m @ 0.48% Cu, 0.15g/t Au from 88.45m
XCN-08-13
34.70m @ 1.84% Cu,
0.49g/t Au from 271.80m
XCN-08-22
18.50m @ 0.86% Cu,
0.20g/t Au from 347.5m
APBD-12-12
39.20m @ 1.44% Cu,
0.23g/t Au from 419.00m
Incl. 27.15m @ 1.92% Cu,
0.32g/t Au from 426.35m
APBD-12-04 NSR
APBD-12-17
7.60m @ 0.63% Cu, 0.14g/t Au from 172.00m
XCN-08-16 NSR
NCN-03-04
27.77m @ 0.90% Cu, 0.17g/t Au from 219.15m
Inc. 13.98m @ 1.05% Cu, 0.24g/t Au from 219.15m
APBD-12-15
54.00m @ 1.29% Cu,
0.32g/t Au from 445.00m
Incl. 24.70m @ 2.00% Cu,
0.51g/t Au from 461.00m
XCN-08-14
35.00m @ 0.95% Cu, 0.24g/t Au from 287.00m
Inc. 9.85m @ 2.78% Cu, 0.70g/t Au from 287.00m
APBD-12-28
32.20m @ 1.27% Cu,
0.33g/t Au from 374.50m
And 9.20m @ 2.91% Cu,
0.93g/t Au, from 374.50m
APBD-12-26
20.50m @ 0.90% Cu,
0.39g/t Au from 521.50m
XCN-08-21 NSR
APBCD-12-02A
12.55m @ 1.77% Cu, 0.41g/t Au from 359.75m
APBD-12-18
24.00m @ 1.50% Cu,0.50g/t Au from 172.40m
Incl. 9.80m @ 2.41% Cu,0.80g/t Au from 182.70m
APBD-12-25
APBD-13-36
5.09m @ 1.09% Cu,
0.67g/t Au from 159.50m
APBD-12-24
116.70m @ 0.83% Cu, 0.28g/t Au from 257.25m
Incl. 20.45m @ 2.04% Cu, 1.01g/t Au from 257.25.70m
APBCD-12-06
40.35m at 0.88%Cu,
0.22g/t Au from 203.15m
Incl. 27.35m @ 1.21% Cu,
0.30g/t Au from 203.15m
APBD-12-16
49.05m @ 1.60% Cu,
0.36g/t Au from 522.00m
Incl. 18.70m @ 2.35% Cu,
0.43g/t Au from 522.00m
APBD-12-13
21.00m @ 1.16% Cu,
0.22g/t Au from 582.50m
APBD-12-21
5.95m @ 2.15% Cu,
0.78g/t Au from 132.00m
XCN-08-20 NSR
APBD-12-14
53.00m @ 0.79% Cu,
0.19g/t Au from 167.00m
APBD-12-11
53.05m @ 1.34% Cu,
0.28g/t Au from 371.15
Inc. 29.65m @ 1.99% Cu,
0.39g/t Au from 385.20
APBD-13-31
19.70m at 1.20% Cu,
0.17g/t Au from 641.20m
APBD-13-30
26.15m at 1.19% Cu, 0.27g/t Au from 354.70m
APBD-12-20
24.65m @ 1.10% Cu,
0.39g/t Au, from 688.35m
Incl. 9.65m @ 1.81% Cu,
0.63g/t Au, from 688.35m
APBD-13-32
15.70m at 1.22% Cu,
0.38g/t Au from 794.30m
APBD-12-22
6.405m @ 1.07% Cu,
0.54g/t Au from 226.00m
APBD-12-23
6.50m @ 1.62% Cu,
0.37g/t Au from 170.20m
And 9.50m @ 1.97% Cu,
0.61g/t Au from 264.00m
APBD-13-38
35.95m @ 1.02% Cu, 0.32g/t Au from 374.05m
Incl. 11.55m @ 1.67% Cu, 0.41g/t Au, from 375.00m
And 60.00m @ 0.74% Cu, 0.0.33g/t Au from 509.00m
Incl. 15.00m @ 1.40% Cu, 0.47g/t Au, from 544.00m
APBCD-12-08
14.00m @ 2.71% Cu, 0.79g/t Au from 290.00m
9.40m @ 1.31% Cu, 0.37g/t Au from 311.60m
6.00m @ 1.10% Cu, 0.15g/t Au from 326.50m
APBD-13-34
15.25m @ 0.43% Cu,
0.16g/t Au from 527.00m
Potential fault offset of mineralisation, supported by magnetics and IP surveys
XCN-08-17
1.00m @ 3.22% Cu,
0.91g/t Au from 136.80m
APBD-13-37
5.85m @ 2.47% Cu, 0.95g/t Au from 444.40m
APBD-12-27
38.20m @ 1.36% Cu,
0.40g/t Au from 444.00m
APBD-13-35
96.10m @ 0.69% Cu, 0.21g/t Au from 262.80m
Incl. 15.70m @ 1.90% Cu, 0.53g/t Au, from 262.80m
Incl. 7.00m @ 1.59% Cu, 0.62g/t Au, from 374.50m
XCN-08-18
87.00m @ 0.77% Cu, 0.18g/t Au from 88.00m
Inc. 16.00m @ 1.16% Cu, 0.41g/t Au from 88.00m
N
200 metres
LEGEND
Historic Drilling
AVB Drill Results
* In Progress or Results Pending
NSR:
No Significant Result
Lithology Type
Diorite
Granite
Gneiss
Sulphide Ore
New Hole

PEDRA BRANCA - DIAMOND DRILLING RESULTS 2015

Hole ID	UTM-E	UTM-N	RL (m)	Dip	Az	Depth (m)	Status	From (m)	From (m) True Depth	To (m)	Width (m) Downhole	Width (m) True	Cu %	Au g/t	Ag g/t
APBD-15-39	607250	9272735	240.500	-60	360		**In Progress**								
APBD-15-40	607150	9272800	236.010	-60	360		**In Progress**								

The following Table and Sections are provided to ensure compliance with the JORC Code (2012 Edition)

TABLE 1 – Section 1: Sampling Techniques and Data

Criteria	JORC Code explanation	Commentary
Sampling techniques	• *Nature and quality of sampling (e.g. cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as downhole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.*	• Diamond drilling core is cut in half onsite using an industry standard core saw, perpendicular to mineralisation or geology to produce two identical (mirrored) halves. Samples are collected consistently from the same side of cut core, sent to an internationally accredited independent assay laboratory, and analysed for a suite of elements by appropriate analytical techniques for the style and type of Iron Oxide Copper Gold (IOCG) mineralisation.
	• *Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.*	• The drill hole collar locations are surveyed by GPS. Drill samples are logged for lithology, weathering, structure (diamond core), mineralogy, mineralisation, colour and other features. Logging and sampling is carried out according to Avanco protocols and QAQC procedures as per industry standard, and overseen by its Geological Managers and the Competent Person (CP).
	• *Aspects of the determination of mineralisation that are Material to the Public Report. In cases where 'industry standard' work has been done this would be relatively simple (e.g. 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (e.g. submarine nodules) may warrant disclosure of detailed information.*	• Diamond core is HQ and NQ in size, sampled on mineralised intervals or regular 1.0m intervals in wide mineralised zones. Core is cut in half to produce sample weights of 3-5kg. Samples are crushed, dried and pulverised (total prep) to produce a sub-sample for analysis. Using a four digest drill core samples are analysed for Cu, Ni (ICP) and Au (Fire Assay, 50g). Mineralised zones and samples with >2,000ppm Cu are further analysed for "Ore Grade" Cu by Atomic Absorption. Additional elements may be assayed based on geological observations.
Drilling techniques	• *Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (e.g. core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).*	• Drilling is a combination of HQ and NQ Diamond drilling. Core is reconstructed into continuous runs on an angle iron cradle orientation.
Drill sample recovery	• *Method of recording and assessing core and chip sample recoveries and results assessed.*	• Diamond core recoveries are logged and recorded in the database. Overall recoveries are consistently >95% in oxide and >98% in fresh rock. Drill sample recoveries are recorded as an average for each metre and recorded in the database. Recoveries are excellent and there are no known sample recovery problems, with the exception of the soil profile
	• *Measures taken to maximise sample recovery and ensure representative nature of the samples.*	• Diamond core is reconstructed into continuous runs on an angle iron cradle for recovery measurement and core orientation. Depths are checked against those marked on the core blocks, and against the drilling company's records.
	• *Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.*	• There is no known sample bias or potential for sample bias.

Criteria	JORC Code explanation	Commentary
Logging	• *Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.*	• Drill samples are logged for lithology, weathering, structure (diamond core), mineralogy, mineralisation, colour and other features. Logging and sampling is carried out according to Avanco protocols and procedures as per industry standard, and overseen by the Company's Geological Managers and CP. The Company believes that the level of detail and quality of the work is appropriate to support current and future studies.
	• *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.*	• Drill samples are logged for lithology, weathering, structure (diamond core), mineralogy, mineralisation, colour and other features. Core is photographed both wet and dry.
	• *The total length and percentage of the relevant intersections logged.*	• All drill holes are logged in full from start to finish of the hole.
Sub-sampling techniques and sample preparation	• *If core, whether cut or sawn and whether quarter, half or all core taken.*	• Where sampled, core is cut in half onsite using an industry standard core saw, perpendicular to mineralisation or geology to produce two identical (mirrored) halves. Samples are collected consistently from the same side of cut core.
	• *If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.*	• All drilling to date has been by diamond core.
	• *For all sample types, the nature, quality and appropriateness of the sample preparation technique.*	• Sample preparation is according to industry standard, including oven drying, coarse crush, and pulverisation to at least 85% passing 100µm or better.
	• *Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.*	• Avanco uses an industry standard QAQC programme involving Certified Reference Materials "standards" for Cu (with Cu grades ranging from low to very high), and blank samples, which are introduced in the assay batches at an approximate rate of one control sample per 20 normal samples. These QAQC results are reported along with the sample values in the preliminary and final analysis reports. Umpire checking of the Primary laboratory is then carried out by a Secondary laboratory, where both are internationally accredited independent assay laboratories.
	• *Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.*	• Duplicates are inserted at an approximate rate of 1 duplicate per 40 normal samples. Umpire checking of the Primary laboratory is then carried out at by a Secondary laboratory, at an approximate rate of 1 control sample per 20 normal samples, or a minimum of 3 umpire samples per hole. Both are internationally accredited independent laboratories.
	• *Whether sample sizes are appropriate to the grain size of the material being sampled.*	• Sample sizes are considered to be appropriate and correctly represent the style and type of mineralisation.
Quality of assay data and laboratory tests	• *The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.*	• Assaying uses a four acid digest, which is a standard industry method for Base and Precious metals analysis. The acids used are hydrofluoric, nitric, perchloric and hydrochloric acids, suitable for silica based samples. The method approaches total dissolution of most minerals. "Ore grade" Cu is further analysed by an accredited AAS "Ore Grade" analysis method. The analysis is

Criteria	JORC Code explanation	Commentary
		considered total and appropriate.
	• *For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.*	• It is the Company's policy not to use in-house tools to determine reportable results for anything other than regional soil sampling. XRF's are used internally by Company geologists to assist in geological and mineralogical interpretation.
	• *Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.*	• Avanco uses an industry standard QAQC programme involving Certified Reference Cu Materials "standards" (with Cu grades ranging from low to very high), blank samples, duplicates and Umpire Laboratory check sampling. Data is analysed and reported internally on a monthly basis for accuracy, precision, repeatability and various biases.
Verification of sampling and assaying	• *The verification of significant intersections by either independent or alternative company personnel.*	• Avanco's Exploration Manager (~30 years' experience) and Chief Geoscientist (~40 years' experience) visually verify significant intersections and results, with further verification by the Company's CP.
	• *The use of twinned holes.*	• The Company uses twin holes routinely in the more advanced stages of resource definition drilling, and for metallurgical drilling. The current drilling programme however, is in-fill in nature.
	• *Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.*	• Primary data is collected on Excel templates with detailed geological and structural logging recorded on paper. Information is transferred, validated, complied, and managed by the Company's in-house database manager in a relational database. All Company Intellectual Property is stored on a central server, kept in a secure and environmentally controlled room. Automated tape back-up occurs on a nightly basis and duplicate back-ups are regularly rotated "off-site" as a secondary precaution in case of loss of the Server site.
	• *Discuss any adjustment to assay data.*	• No adjustments or calibrations are made to assay data.
Location of data points	• *Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.*	• Collar locations are surveyed by GPS on the State Survey Datum using true Mean Sea Level RL's. Downhole surveys are done using a Maxbor digital down-hole tool with readings every 3m.
	• *Specification of the grid system used.*	• Universal Transverse Mercator, SAD69 Zone 22 South.
	• *Quality and adequacy of topographic control.*	• Regional Topographic control (1m contours) and Digital Terrain Models are used.
Data spacing and distribution	• *Data spacing for reporting of Exploration Results.*	• The current drill spacing at Pedra Branca is nominally 100m by 100m. The current drill programme aims to infill this data to a nominal spacing of 50m by 50m in the core of the deposit, for the upgrade of Resource Confidence and later studies.

Criteria	JORC Code explanation	Commentary
	• *Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.*	• Sufficient continuity in both geology and mineralisation has been established to support the classification of Company's existing JORC Reported Mineral Resources where reported and classified under JORC 2012, or where reported and classified under JORC 2004. As the Company progresses resources to higher levels of confidence it will collect appropriate data to ensure compliance with any new classification.
	• *Whether sample compositing has been applied.*	• In the JORC Code reported Mineral Resource estimate, the majority of samples are 1m in length with only a small number of (mostly end of hole) samples being larger than 1m long, or less than 1m where core samples are cut to the limit of mineralisation. In these cases samples are composited to 1m. Statistical analysis shows that this has no effect due to their locations.
Orientation of data in relation to geological structure	• *Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.*	• Geology and mineralisation at Pedra Branca is approximately sub-vertical, dipping slightly to the south. Thus the majority of drilling is angled to the north, dipping at an angle aimed at achieving the most representative intersections.
	• *If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.*	• The company does not believe that any sample bias has been introduced.
Sample security	• *The measures taken to ensure sample security.*	• "Chain of custody" is managed by Avanco. All core samples are received intact and in their entirety in their core trays at the Company's secure Core Yard in Parauapebas, Para, Brazil. All sampling and work on the samples is carried out within the confines of this secure facility. Samples are delivered by Avanco personnel directly to the laboratory in Parauapebas and thus at no point do the samples leave the possession of Avanco staff prior to arriving at the laboratory. Avanco has protocols and procedures for tracking the progress of the samples through the laboratory, ensuring accurate validation and authentication of results issued by the laboratory in relation to the samples that were submitted.
Audits or reviews	• *The results of any audits or reviews of sampling techniques and data.*	• CSA Global Pty Ltd (CSA) competed a full onsite (in Brazil) review of all Company drilling, sampling, data and exploration management procedures from start to finish, including a visit to the independent laboratory facilities, as part of their own "Competent Person's" due diligence in 2012, prior to commencing Resource Estimation work for Avanco on the Company's projects in Brazil. Avanco received a very favourable review, with no area needing any significant change or improvement, or any concern with the quality and integrity of data received by CSA from Avanco's CP.

TABLE 1 – Section 2: Exploration Results

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	• *Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.*	• AVB MINERAÇÃO Ltda and VALE DOURADO MINERAÇÃO Ltda are wholly owned Brazilian subsidiaries of Avanco Resources Ltd, who own the rights to 100% of the tenements in the current exploration drill program. Existing third party Royalties amount to 3% NSR on Cu and 3% NSR on Au. State royalties amount to 2% NSR on Cu and 1% NSR on Au. Unless negotiated otherwise with the owner surface rights (farmer), these equal to 50% of the State royalty.
	• *The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.*	• All tenements are granted exploration licenses
Exploration done by other parties	• *Acknowledgment and appraisal of exploration by other parties.*	• AVB's CP has determined that the quality and integrity of historical work is adequate for inclusion, consideration and interpretation in the current work programme.
Geology	• *Deposit type, geological setting and style of mineralisation.*	• Iron Oxide Copper Gold (IOCG) breccia pipe, hosted predominantly by mafic metavolcanic and granitic rocks.
Drill hole Information	• *A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:* *a. easting and northing of the drill hole collar* *b. elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar* *c. dip and azimuth of the hole* *d. down hole length and interception depth* *e. hole length.*	• Where results are reported, tabulation of information relating to drilling can be found in this report listed in the table "Pedra Branca – Diamond Drilling Results 2015". Information relating to Points "A" though to "E" inclusive, are all included in this table.
	• *If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.*	• Where results are reported, no information listed in Points "A" through to "E" has been excluded. All information is complete and is presented in the table in the table "Pedra Branca – Diamond Drilling Results 2015" found within this report.
Data aggregation methods	• *In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (e.g. cutting of high grades) and cut-off grades are usually Material and should be stated.*	• Where results are reported, averaging of mineralised intervals are calculated by the following parameters 1. Weighted averaging of grade/thickness 2. A minimum Cut-off grade of 0.1% Cu 3. A maximum of 3 continuous metres of internal dilution (<0.1% Cu) 4. Top-Cuts of 20% Cu, 10g/t Au
	• *Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.*	• Where results are reported and intercepts incorporate lengths of "high grade" (in the context of surrounding results), these "high grade" results have been detailed transparently and separately in any reported results, both in the text of the report and in the table "Pedra Branca – Diamond Drilling Results 2015".

Criteria	**JORC Code explanation**	**Commentary**
		Detailed examples are present in this report and the table above.
	• *The assumptions used for any reporting of metal equivalent values should be clearly stated.*	• No assumptions are included in this report, because Metal Equivalents have not been used.
Relationship between mineralisation widths and intercept lengths	• *If the geometry of the mineralisation with respect to the drill-hole angle is known, its nature should be reported.*	• Geology and mineralisation at Pedra Branca is approximately sub-vertical, dipping slightly to the south. Thus the majority of drilling is angled to the north, dipping at an angle aimed at achieving the most representative intersections.
	• *If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (e.g. 'down hole length, true width not known').*	• Where results are reported, True Depths of all assay intersections are known, have been calculated, and are shown tabulated in this report in the table "Pedra Branca – Diamond Drilling Results 2015".
Diagrams	• *Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.*	• A plan view showing all new drilling and the relationship to existing holes (with scale and annotations) is included in this report. All intercepts are tabulated ("Pedra Branca – Diamond Drilling Results 2015").
Balanced reporting	• *Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.*	• Where results are reported, they include intersections and results for every hole drilled including high and low grade intersections. Even if secondary elements (credits) are below detection limit (BDL), they are still shown.
Other substantive exploration data	• *Other exploration data, if meaningful and material, should be reported) including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.*	• All material and meaningful exploration data, relevant to the scope of work in this report, has been included in this report. There is no other information, which is available and/or in the opinion of the Company's CP is lacking in this report.
Further work	• *The nature and scale of planned further work (e.g. tests for lateral extensions or depth extensions or large-scale step-out drilling).*	• The current drilling is in-fill in nature. Future work will consist of further in-fill drilling as required for Resource and Reserve work, and exploration at depth where mineralisation remains open and untested.
	• *Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.*	• The current drilling is in-fill in nature. A plan view showing all new drilling and the relationship to existing holes (with scale and annotations) is included in this report.