

AVANCO RESOURCES LIMITED

ACN 126 379 646

ENTITLEMENT ISSUE PROSPECTUS

For a non-renounceable entitlement issue of two (2) Shares for every seven (7) Shares held by those Shareholders registered at the Record Date at an issue price of \$0.08 per Share to raise up to \$43,678,337 (based on the number of Shares on issue as at the date of this Prospectus) (**Offer**).

Bell Potter Securities Limited (AFSL 243480) has been appointed as lead manager and broker to the Offer. Refer to Section 8.3 for details regarding the terms of Bell Potter's appointment.

IMPORTANT NOTICE

This document is important and should be read in its entirety. If after reading this Prospectus you have any questions about the securities being offered under this Prospectus or any other matter, then you should consult your stockbroker, accountant or other professional adviser.

The Shares offered by this Prospectus should be considered as speculative.

TABLE OF CONTENTS

1.	CORPORATE DIRECTORY	1
2.	TIMETABLE.....	2
3.	IMPORTANT NOTES	3
4.	DETAILS OF THE OFFER.....	7
5.	PURPOSE AND EFFECT OF THE OFFER.....	12
6.	RIGHTS AND LIABILITIES ATTACHING TO SHARES	15
7.	RISK FACTORS	18
8.	ADDITIONAL INFORMATION	24
9.	DIRECTORS' AUTHORISATION	31
10.	GLOSSARY	32

1. CORPORATE DIRECTORY

Directors

Colin Jones (Non-Executive Chairman)

Anthony Polglase (Managing Director)

Scott Funston (Executive Director)

Simon Mottram (Executive Director)

Wayne Phillips (Executive Director)

Luis Azevedo (Executive Director)

Auditor*

Ernst & Young
11 Mounts Bay Road
Perth WA 6000
Australia

Company Secretary

Scott Funston

Registered Office

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West Perth WA 6005
Australia

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Solicitors

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Lawyers and Consultants
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Automic Registry Services
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Australia

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Lead Manager and Broker to Offer

Bell Potter Securities Limited
Level 38, Aurora Place
88 Phillip Street
Sydney NSW 2000
Australia

*These entities are included for information purposes only. They have not been involved in the preparation of this Prospectus and have not consented to being named in this Prospectus.

2. TIMETABLE

ACTION	DATE
Lodgement of Prospectus with the ASIC	8 May 2015
Lodgement of Prospectus & Appendix 3B with ASX	
Notice sent to Shareholders and Optionholders	12 May 2015
Ex date	13 May 2015
Record Date for determining Entitlements	15 May 2015
Prospectus sent out to Shareholders & Company announces this has been completed	20 May 2015
Closing Date*	29 May 2015
Shares quoted on a deferred settlement basis	1 June 2015
ASX notified of under subscriptions	3 June 2015
Issue date/Shares entered into Shareholders' security holdings	5 June 2015
Quotation of Shares issued under the Offer*	9 June 2015

*The Directors may extend the Closing Date by giving at least 3 Business Days notice to ASX prior to the Closing Date. As such the date the Shares are expected to commence trading on ASX may vary.

3. IMPORTANT NOTES

This Prospectus is dated 8 May 2015 and was lodged with the ASIC on that date. The ASIC and its officers take no responsibility for the contents of this Prospectus or the merits of the investment to which this Prospectus relates.

No Shares may be issued on the basis of this Prospectus later than 13 months after the date of this Prospectus.

No person is authorised to give information or to make any representation in connection with this Prospectus, which is not contained in the Prospectus. Any information or representation not so contained may not be relied on as having been authorised by the Company in connection with this Prospectus.

It is important that investors read this Prospectus in its entirety and seek professional advice where necessary. The Shares the subject of this Prospectus should be considered highly speculative.

Applications for Shares offered pursuant to this Prospectus can only be submitted on an original Entitlement and Acceptance Form or Shortfall Application Form.

This Prospectus is a transaction specific prospectus for an offer of continuously quoted securities (as defined in the Corporations Act) and has been prepared in accordance with section 713 of the Corporations Act. It does not contain the same level of disclosure as an initial public offering prospectus. In making representations in this Prospectus regard has been had to the fact that the Company is a disclosing entity for the purposes of the Corporations Act and certain matters may reasonably be expected to be known to investors and professional advisers whom potential investors may consult.

3.1 Risk factors

Potential investors should be aware that subscribing for Shares in the Company involves a number of risks. The key risk factors of which investors should be aware are set out in Section 7 of this Prospectus, including (but not limited to) risks in respect of:

- (a) risks relating to the sale of concentrates from the Antas North Project;
- (b) risks relating to the development of the Antas North Project;
- (c) risks relating to any future funding requirements of the Company;
- (d) risks relating to the price and market for Copper and Gold extracted from the Antas North Project.
- (e) risks relating to the Company operating in Brazil;
- (f) dilution to existing Shareholders who do not take up their Entitlements; and
- (g) contractual risks in respect of the Royalty Agreement.

These risks together with other general risks applicable to all investments in listed securities not specifically referred to, may affect the value of the Shares in the future. Accordingly, an investment in the Company should be considered highly speculative. Investors should consider consulting their professional advisers before deciding whether to apply for Shares pursuant to this Prospectus.

3.2 Director Interests in Securities

The relevant interest of each of the Directors in the securities of the Company as at the date of this Prospectus, together with their respective Entitlement, is set out in the table below.

Director	Shares	Options	Entitlement	\$
Colin Jones	945,120	5,000,000 ¹	270,034	\$21,603
Anthony Polglase	6,258,115	30,000,000 ¹	1,788,033	\$143,043
Scott Funston	1,557,728	5,000,000 ¹	445,065	\$35,605
Simon Mottram	1,356,974	20,000,000 ¹	387,707	\$31,017
Wayne Phillips	150,000	5,000,000 ¹	42,857	\$3,429
Luis Azevedo	768,750	10,000,000 ¹	219,643	\$17,571

Notes:

1. Unquoted Options exercisable at \$0.12 on or before 31 December 2015.

The Board recommends all Shareholders take up their Entitlement and advises that all Directors presently intend subscribing for at least part of their respective Entitlements.

3.3 Details of substantial holders

Based on publicly available information as at 8 May 2015, those persons which (together with their associates) have a relevant interest in 5% or more of the Shares on issue are set out below:

Shareholder	Shares	%
BlackRock Inc. & Subsidiaries	226,265,822	11.84
Greenstone Resources L.P.	219,402,224	11.48
Xstrata Holdings Pty Ltd	203,099,095	10.63
Appian Natural Resources Fund & Affiliates	191,648,379	10.03

In the event all Entitlements are accepted there will be no change to the substantial holders on completion of the Offer.

Each of the substantial Shareholders set out above, other than Xstrata Holdings Pty Ltd (**Participating Substantial Holders**), has given a firm commitment to the Company to take up its Entitlement under the Offer.

3.4 Effect on control of the Company

Shareholders should note that if they do not participate in the Offer, their holdings are likely to be diluted by approximately 22% (as compared to their holdings and number of Shares on issue as at the date of the Prospectus). Examples of how the dilution may impact Shareholders is set out in the table below:

Holder	Holding as at Record date	% at Record Date	Entitlements under the Offer	Holdings if Offer not taken Up	% post Offer
Shareholder 1	50,000,000	2.62%	14,285,714	50,000,000	2.04%
Shareholder 2	30,000,000	1.57%	8,571,429	30,000,000	1.22%
Shareholder 3	20,000,000	1.05%	5,714,286	20,000,000	0.81%
Shareholder 4	10,000,000	0.52%	2,857,143	10,000,000	0.41%
Shareholder 5	5,000,000	0.26%	1,428,571	5,000,000	0.20%

Notes:

1. The dilutionary effect shown in the table is the maximum percentage on the assumption that those Entitlements not accepted are placed under the Shortfall Offer.

3.5 Lead manager and broker

Bell Potter Securities Limited (**Lead Manager**) has been appointed as lead manager and broker to the Offer. The terms of the appointment of the Lead Manager are summarised in Section 8.3 of this Prospectus.

3.6 Shortfall Offer

Any Entitlement not taken up pursuant to the Offer will form the Shortfall Offer.

The Shortfall Offer is a separate offer made pursuant to this Prospectus and will remain open for up to three months following the Closing Date. Where a Shareholder has submitted an Application Form for their full Entitlement under the Offer, that Shareholder may apply for additional Shares (**Shortfall Shares**) under the Shortfall Offer on the following basis:

- (a) Shortfall Shares will only be issued under the Shortfall Offer to the extent that:
 - (i) there are a sufficient number of Shortfall Shares which were not taken up by Shareholders under their Entitlements; and
 - (ii) Bell Potter has determined in consultation with the Company that a number of Shortfall Shares (if any) will be made available under the Shortfall Offer (and as a result applications for Shortfall Shares may be scaled back); and
- (b) the Shortfall Shares will be issued at the same price as the Rights Issue Securities.

Any allocation of Shortfall Shares to Shareholders must be agreed by the Company and Bell Potter under their right to issue Shortfall Shares at their discretion.

If there are unallocated Shortfall Shares remaining after all applications from Shareholders have been considered, the remaining Shortfall Shares may be placed at the discretion of the Company and Bell Potter.

It is the intention of each of the Participating Substantial Holders to take part in the Shortfall Offer. However, the Company and Bell Potter will ensure that no existing Shareholders (including the Participating Substantial Holders) nor any other parties acquire a voting power in excess of 19.90% as a result of them taking part in the Shortfall Offer.

3.7 Market price of shares

The Company is a disclosing entity for the purposes of the Corporations Act and its Shares are enhanced disclosure securities quoted on ASX.

The highest, lowest and last market sale prices of the Shares on ASX during the three months immediately preceding the date of lodgement of this Prospectus with the ASIC and the respective dates of those sales were:

Highest	\$0.084	17 April 2015
Lowest	\$0.065	18 March 2015
Last	\$0.078	8 May 2015

3.8 Forward-looking statements

This Prospectus contains forward-looking statements which are identified by words such as 'may', 'could', 'believes', 'estimates', 'targets', 'expects', or 'intends' and other similar words that involve risks and uncertainties.

These statements are based on an assessment of present economic and operating conditions, and on a number of assumptions regarding future events and actions that, as at the date of this Prospectus, are expected to take place.

Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties, assumptions and other important factors, many of which are beyond the control of our Company, the Directors and our management.

We cannot and do not give any assurance that the results, performance or achievements expressed or implied by the forward-looking statements contained in this prospectus will actually occur and investors are cautioned not to place undue reliance on these forward-looking statements.

We have no intention to update or revise forward-looking statements, or to publish prospective financial information in the future, regardless of whether new information, future events or any other factors affect the information contained in this prospectus, except where required by law.

These forward looking statements are subject to various risk factors that could cause our actual results to differ materially from the results expressed or anticipated in these statements. These risk factors are set out in Section 7 of this Prospectus.

4. DETAILS OF THE OFFER

4.1 The Offer

The Offer is being made as a non-renounceable entitlement issue of two (2) Shares for every seven (7) Shares held by Shareholders registered at the Record Date at an issue price of \$0.08 per Share. Fractional entitlements will be rounded upwards to the nearest whole number.

Based on the capital structure of the Company as at the date of this Prospectus, a maximum of 545,979,209 Shares will be issued pursuant to this Offer to raise up to \$43,678,337.

As at the date of this Prospectus the Company has 87,550,000 Options on issue all of which may be exercised prior to the Record Date in order to participate in the Offer. Please refer to Section 0 of this Prospectus for information on the exercise price and expiry date of the Options on issue.

All of the Shares offered under this Prospectus will rank equally with the Shares on issue at the date of this Prospectus. Please refer to Section 6 for further information regarding the rights and liabilities attaching to the Shares.

The purpose of the Offer and the intended use of funds raised are set out in Section 5.1 of this Prospectus.

4.2 Minimum subscription

The minimum subscription in respect of the offer is \$14,483,294 (being the firm commitments of the Participating Substantial Holders under the Offer).

No Shares will be issued until the minimum subscription has been received. If the minimum subscription is not achieved within 4 months after the date of issue of this Prospectus, the Company will either repay the Application monies to the Applicants or issue a supplementary prospectus or replacement prospectus and allow Applicants one month to withdraw their Application and be repaid their Application monies.

4.3 Acceptance

Your acceptance of the Offer must be made on the Entitlement and Acceptance Form accompanying this Prospectus. Your acceptance must not exceed your Entitlement as shown on that form. If it does, your acceptance will be deemed to be for the maximum Entitlement.

You may participate in the Offer as follows:

- (c) if you wish to accept your **full** Entitlement:
 - (i) complete the Entitlement and Acceptance Form; and
 - (ii) attach your cheque, drawn on an Australian bank or bank draft made payable in Australian currency, for the amount indicated on the Entitlement and Acceptance Form; or
- (d) if you wish to accept your **full** Entitlement as well as additional Shortfall Shares:

- (i) complete the Entitlement and Acceptance Form including the Shortfall section for the amount of Shortfall Shares you wish to apply for; and
 - (ii) attach your cheque, drawn on an Australian bank or bank draft made payable in Australian currency, for the amount indicated on the Entitlement and Acceptance Form plus any additional amount payable in respect of Shortfall Shares applied for (at \$0.08 per New Share);
- (e) if you only wish to accept **part** of your Entitlement:
- (i) fill in the number of New Shares you wish to accept in the space provided on the Entitlement and Acceptance Form; and
 - (ii) attach your cheque, drawn on an Australian bank or bank draft made payable in Australian currency, for the appropriate application monies (at \$0.08 per New Share); or
- (f) if you do not wish to accept all or part of your Entitlement, you are not obliged to do anything.

4.4 Payment by cheque/bank draft

All cheques must be drawn on an Australian bank or bank draft made payable in Australian currency to "Avanco Resources Limited – Entitlement Issue Account" and crossed "Not Negotiable".

Your completed Entitlement and Acceptance Form and cheque must reach the Company's share registry no later than 5:00 pm WST on the Closing Date.

4.5 Payment by BPAY®

For payment by BPAY®, please follow the instructions on the Entitlement and Acceptance Form. You can only make a payment via BPAY® if you are the holder of an account with an Australian financial institution that supports BPAY® transactions. Please note that should you choose to pay by BPAY®:

- (a) you do not need to submit the Entitlement and Acceptance Form but are taken to have made the declarations on that Entitlement and Acceptance Form; and
- (b) if you do not pay for your Entitlement in full, you are deemed to have taken up your Entitlement in respect of such whole number of Shares which is covered in full by your application monies.

It is your responsibility to ensure that your BPAY® payment is received by the share registry by no later than 4:00 pm (WST) on the Closing Date. You should be aware that your financial institution may implement earlier cut-off times with regards to electronic payment and you should therefore take this into consideration when making payment. Any application monies received for more than your final allocation of Shares (only where the amount is \$1.00 or greater) will be refunded. No interest will be paid on any application monies received or refunded.

The Offer is non-renounceable. Accordingly, a Shareholder may not sell or transfer all or part of their Entitlement.

4.6 Underwriting

The Offer is not underwritten.

4.7 ASX listing

Application for Official Quotation of the Shares offered pursuant to this Prospectus will be made in accordance with the timetable set out at the commencement of this Prospectus. If ASX does not grant Official Quotation of the Shares offered pursuant to this Prospectus before the expiration of 3 months after the date of issue of the Prospectus, (or such period as varied by the ASIC), the Company will not issue any Shares and will repay all application monies for the Shares within the time prescribed under the Corporations Act, without interest.

The fact that ASX may grant Official Quotation to the Shares is not to be taken in any way as an indication of the merits of the Company or the Shares now offered for subscription.

4.8 Issue of Shares

Shares issued pursuant to the Offer will be issued in accordance with the ASX Listing Rules and timetable set out at the commencement of this Prospectus.

Shares issued pursuant to the Shortfall Offer may be issued on a progressive basis. Where the number of Shares issued is less than the number applied for, or where no issue is made surplus application monies will be refunded without any interest to the Applicant as soon as practicable after the closing date of the Shortfall Offer.

Pending the issue of the Shares or payment of refunds pursuant to this Prospectus, all application monies will be held by the Company in trust for the Applicants in a separate bank account as required by the Corporations Act. The Company, however, will be entitled to retain all interest that accrues on the bank account and each Applicant waives the right to claim interest.

Holding statements for Shares issued under the Offer will be mailed in accordance with the ASX Listing Rules and timetable set out at the commencement of this Prospectus and for Shortfall Shares issued under the Shortfall Offer as soon as practicable after their issue.

4.9 Overseas shareholders

(c) New Zealand

The Offers to New Zealand investors is a regulated offer made under Australian and New Zealand law. In Australia, this is Chapter 8 of the Corporations Act 2001 and Regulations. In New Zealand, this is Part 5 of the Securities Act 1978 and the Securities (Mutual Recognition of Securities Offerings—Australia) Regulations 2008.

The Offers and the content of this Prospectus are principally governed by Australian rather than New Zealand law. In the main, the Corporations Act 2001 and Regulations (Australia) set out how the Offers must be made.

There are differences in how securities are regulated under Australian law. For example, the disclosure of fees for collective investment schemes is different under the Australian regime.

The rights, remedies, and compensation arrangements available to New Zealand investors in Australian securities may differ from the rights, remedies, and compensation arrangements for New Zealand securities.

Both the Australian and New Zealand securities regulators have enforcement responsibilities in relation to these Offers. If you need to make a complaint about an Offer, please contact the Financial Markets Authority, Wellington, New Zealand. The Australian and New Zealand regulators will work together to settle your complaint.

The taxation treatment of Australian securities is not the same as for New Zealand securities.

If you are uncertain about whether this investment is appropriate for you, you should seek the advice of an appropriately qualified financial adviser.

The Offers may involve a currency exchange risk. The currency for the securities is not New Zealand dollars. The value of the securities will go up or down according to changes in the exchange rate between that currency and New Zealand dollars. These changes may be significant.

If you expect the securities to pay any amounts in a currency that is not New Zealand dollars, you may incur significant fees in having the funds credited to a bank account in New Zealand in New Zealand dollars.

If the securities are able to be traded on a securities market and you wish to trade the securities through that market, you will have to make arrangements for a participant in that market to sell the securities on your behalf. If the securities market does not operate in New Zealand, the way in which the market operates, the regulation of participants in that market, and the information available to you about the securities and trading may differ from securities markets that operate in New Zealand.

(d) Other Overseas Shareholders

This document is only intended to be distributed and made available to existing Shareholders of the Company and is personal to each Shareholder to whom it has been delivered. This Offer does not, and is not intended to, constitute an offer in any place or jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer or to issue this Prospectus.

It is not practicable for the Company to comply with the securities laws of overseas jurisdictions having regard to the number of overseas Shareholders, the number and value of Shares these Shareholders would be offered and the cost of complying with regulatory requirements in each relevant jurisdiction. Accordingly, the Offer is not being extended and Shares will not be issued to Shareholders with a registered address which is outside Australia and New Zealand.

The distribution of this Prospectus in jurisdictions outside Australia and New Zealand may be restricted by law and persons who come into

possession of this Prospectus should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws. No action has been taken to register or qualify these Shares the subject of this Prospectus or otherwise permit a public offering of the Shares the subject of this Prospectus in any jurisdiction outside Australia and New Zealand.

4.10 Enquiries

Any questions concerning the Offer should be directed to Mr Scott Funston, Company Secretary, on + 61 8 9324 1865.

5. PURPOSE AND EFFECT OF THE OFFER

5.1 Purpose of the Offer

The purpose of the Offer is to raise up to \$43,678,337.

The funds raised from the Offer are planned to be used in accordance with the table set out below:

Item	Proceeds of the Offer	Minimum Subscription (\$)	%	Full Subscription (\$)	%
1.	Plant construction	6,000,000	41.43	17,600,000	40.29
2.	Mine infrastructure	4,000,000	27.62	5,200,000	11.91
3.	Open pit mine	2,000,000	13.81	3,500,000	8.01
4.	Construction of tailing management facility	1,000,000	6.90	2,400,000	5.49
5.	Engineering/owners costs	-	-	3,500,000	8.01
6.	Contingency	-	-	4,900,000	11.22
7.	Expenses of the Offer ¹	778,000	5.37	2,395,247	5.48
8.	Working capital	705,294	4.87	4,183,089	9.58
	Total	14,483,294	100	43,678,337	100

Notes:

1. Refer to Section 8.7 of this Prospectus for further details relating to the estimated expenses of the Offer.

In the event the Company raises more than the minimum subscription of \$14,483,294 and less than the full subscription of \$43,678,337, the funds raised (net of offer expenses), will be first applied toward plant construction. Once plant construction is complete, additional funds raised will be allocated to mine infrastructure, open pit mine costs and the construction of the tailings management facility on a proportional basis. Any remaining funds will then be used as a contingency and for general working capital purposes.

On completion of the Offer, the Board believes the Company will have sufficient working capital to achieve these objectives.

The above table is a statement of current intentions as of the date of this Prospectus. As with any budget, intervening events and new circumstances have the potential to affect the manner in which the funds are ultimately applied. The Board reserves the right to alter the way funds are applied on this basis.

5.2 Effect of the Offer

The principal effect of the Offer, assuming all Entitlements are accepted and no Options are exercised prior to the Record Date, will be to:

- (a) increase the cash reserves by \$41,283,089 (after deducting the estimated expenses of the Offer) immediately after completion of the Offer; and

- (b) increase the number of Shares on issue from 1,910,927,233 as at the date of this Prospectus to 2,456,906,442 Shares.

5.3 Pro-forma balance sheet

The unaudited balance sheet as at 31 March 2014 and the unaudited pro-forma balance sheet as at 31 March 2014 shown below have been prepared on the basis of the accounting policies normally adopted by the Company and reflect the changes to its financial position.

The pro-forma balance sheet has been prepared assuming all Entitlements are accepted, no Options are exercised prior to the Record Date and including expenses of the Offer.

The pro-forma balance sheet has been prepared to provide investors with information on the assets and liabilities of the Company and pro-forma assets and liabilities of the Company as noted below. The historical and pro-forma financial information is presented in an abbreviated form, insofar as it does not include all of the disclosures required by Australian Accounting Standards applicable to annual financial statements.

	UNAUDITED 31 March 2014	PLACEMENT	ENTITLEMENT ISSUE	PROFORMA 31 March 2014
CURRENT ASSETS				
Cash ¹	15,800,114	19,794,610	41,423,337	77,018,061
Other current assets	154,714	-	-	154,714
TOTAL CURRENT ASSETS	15,954,828	19,794,610	41,423,337	77,172,775
NON-CURRENT ASSETS				
Available for sale Investments	30,000	-	-	30,000
Plant and Equipment	7,169,697	-	-	7,169,697
Deferred Exploration and Evaluation Expenditure	48,256,530	-	-	48,256,530
TOTAL NON-CURRENT ASSETS	55,456,227	-	41,423,337	55,456,277
TOTAL ASSETS	71,411,055	19,794,610	41,423,337	132,629,002
CURRENT LIABILITIES				
Creditors and borrowings	755,037	-	-	755,037
TOTAL CURRENT LIABILITIES	755,037	-	-	755,037
TOTAL LIABILITIES	755,037	-	-	755,037
NET ASSETS (LIABILITIES)	70,656,018	19,794,610	41,423,337	131,873,965
EQUITY				
Share capital	86,861,375	19,794,610	41,423,337	148,079,322
Reserves	(1,793,699)	-	-	(1,793,699)
Retained loss	(14,411,658)	-	-	(14,411,658)
TOTAL EQUITY	70,656,018	19,794,610	41,423,337	131,873,965

In the event the Company raises only the minimum subscription of \$14,483,294 is raised under the Offer, the cash position of the Company will be reduced to

\$49,300,018, the share capital will be reduced to \$120,361,279, resulting in the Net Assets of the Company becoming \$104,155,922.

5.4 Effect on capital structure

The effect of the Offer on the capital structure of the Company, assuming all Entitlements are accepted and no Options are exercised prior to the Record Date, is set out below.

Shares

	Number
Shares currently on issue	1,910,927,233
Shares offered pursuant to the Offer	545,979,209
Total Shares on issue after completion of the Offer	2,456,906,442

Options

	Number
Unquoted exercisable at \$0.12 on or before 31 December 2015	75,000,000
Unquoted exercisable at \$0.15 on or before 31 December 2016)	12,550,000
Total Options on issue after completion of the Offer	87,550,000

The capital structure on a fully diluted basis as at the date of this Prospectus would be 1,998,477,233 Shares and on completion of the Offer (assuming all Entitlements are accepted and no Options are exercised prior to the Record Date) would be 2,544,456,442 Shares.

No Shares or Options on issue are subject to escrow restrictions, either voluntary or ASX imposed.

6. RIGHTS AND LIABILITIES ATTACHING TO SHARES

The following is a summary of the more significant rights and liabilities attaching to Shares being offered pursuant to this Prospectus. This summary is not exhaustive and does not constitute a definitive statement of the rights and liabilities of Shareholders. To obtain such a statement, persons should seek independent legal advice.

Full details of the rights and liabilities attaching to Shares are set out in the Constitution, a copy of which is available for inspection at the Company's registered office during normal business hours.

6.1 General meetings

Shareholders are entitled to be present in person, or by proxy, attorney or representative to attend and vote at general meetings of the Company.

Shareholders may requisition meetings in accordance with section 249D of the Corporations Act and the Constitution of the Company.

6.2 Voting rights

Subject to any rights or restrictions for the time being attached to any class or classes of shares, at general meetings of shareholders or classes of shareholders:

- (a) each Shareholder entitled to vote may vote in person or by proxy, attorney or representative;
- (b) on a show of hands, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder has one vote; and
- (c) on a poll, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder shall, in respect of each fully paid Share held by him, or in respect of which he is appointed a proxy, attorney or representative, have one vote for each Share held, but in respect of partly paid shares shall have such number of votes as bears the same proportion to the total of such Shares registered in the Shareholder's name as the amount paid (not credited) bears to the total amounts paid and payable (excluding amounts credited).

6.3 Dividend rights

Subject to the rights of any preference Shareholders and to the rights of the holders of any shares created or raised under any special arrangement as to dividend, the Directors may from time to time declare a dividend to be paid to the Shareholders entitled to the dividend which shall be payable on all Shares according to the proportion that the amount paid (not credited) is of the total amounts paid and payable (excluding amounts credited) in respect of such Shares.

The Directors may from time to time pay to the Shareholders any interim dividends as they may determine. No dividend shall carry interest as against the Company. The Directors may set aside out of the profits of the Company any amounts that they may determine as reserves, to be applied at the discretion of the Directors, for any purpose for which the profits of the Company may be properly applied.

Subject to the ASX Listing Rules and the Corporations Act, the Company may, by resolution of the Directors, implement a dividend reinvestment plan on such terms and conditions as the Directors think fit and which provides for any dividend which the Directors may declare from time to time payable on Shares which are participating Shares in the dividend reinvestment plan, less any amount which the Company shall either pursuant to the Constitution or any law be entitled or obliged to retain, be applied by the Company to the payment of the subscription price of Shares.

6.4 Winding-up

If the Company is wound up, the liquidator may, with the authority of a special resolution, divide among the Shareholders in kind the whole or any part of the property of the Company, and may for that purpose set such value as he considers fair upon any property to be so divided, and may determine how the division is to be carried out as between the Shareholders or different classes of Shareholders.

The liquidator may, with the authority of a special resolution, vest the whole or any part of any such property in trustees upon such trusts for the benefit of the contributories as the liquidator thinks fit, but so that no Shareholder is compelled to accept any shares or other securities in respect of which there is any liability.

6.5 Shareholder liability

As the Shares issued will be fully paid shares, they will not be subject to any calls for money by the Directors and will therefore not become liable for forfeiture.

6.6 Transfer of shares

Generally, shares in the Company are freely transferable, subject to formal requirements, the registration of the transfer not resulting in a contravention of or failure to observe the provisions of a law of Australia and the transfer not being in breach of the Corporations Act and the ASX Listing Rules.

6.7 Future increase in capital

The issue of any new Shares is under the control of the Directors of the Company. Subject to restrictions on the issue or grant of Securities contained in the ASX Listing Rules, the Constitution and the Corporations Act (and without affecting any special right previously conferred on the holder of an existing share or class of shares), the Directors may issue Shares as they shall, in their absolute discretion, determine.

6.8 Variation of rights

Under section 246B of the Corporations Act, the Company may, with the sanction of a special resolution passed at a meeting of Shareholders vary or abrogate the rights attaching to shares.

If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class), whether or not the Company is being wound up, may be varied or abrogated with the consent in writing of the holders of three quarters of the issued shares of that class, or if authorised by a special resolution passed at a separate meeting of the holders of the shares of that class.

6.9 Alteration of constitution

In accordance with the Corporations Act, the Constitution can only be amended by a special resolution passed by at least three quarters of Shareholders present and voting at the general meeting. In addition, at least 28 days written notice specifying the intention to propose the resolution as a special resolution must be given.

7. RISK FACTORS

7.1 Introduction

The Shares offered under this Prospectus are considered highly speculative. An investment in the Company is not risk free and the Directors strongly recommend potential investors to consider the risk factors described below, together with information contained elsewhere in this Prospectus and to consult their professional advisers before deciding whether to apply for Shares pursuant to this Prospectus.

There are specific risks which relate directly to the Company's business. In addition, there are other general risks, many of which are largely beyond the control of the Company and the Directors. The risks identified in this section, or other risk factors, may have a material impact on the financial performance of the Company and the market price of the Shares.

The following is not intended to be an exhaustive list of the risk factors to which the Company is exposed.

7.2 Company specific

(a) Potential for dilution

Upon implementation of the Offer, assuming all Entitlements are accepted and no Options are exercised prior to the Record Date the number of Shares in the Company will increase from 1,910,927,233 currently on issue to 2,456,906,442. This means that each Share will represent a lower proportion of the ownership of the Company.

It is not possible to predict what the value of the Company or a Share will be following the completion of the Offer being implemented and the Directors do not make any representation as to such matters.

The last trading price of Shares on ASX prior to the prospectus being lodged of \$0.078 is not a reliable indicator as to the potential trading price of Shares after implementation of the Offer.

(b) Royalty Agreement risk

As announced on 28 July 2014, the Company has entered into the Royalty Agreement pursuant to which BlackRock Inc. will pay the Company US\$12 million (approximately AU\$15.6 million) to be used for development costs and plant construction for the Company's mining operation at the Antas North Project. The funds are expected to be available for drawdown on the satisfaction of all conditions precedent under the Royalty Agreement, which is estimated by the Board to occur before 30 June 2015.

If for some reason the Company does not receive these funds, the Company will have to re-evaluate its plans for development of its Antas North Project and may, depending on the circumstances, be required to consider its legal options regarding any non-receipt of the funds, which may entail additional costs for the Company.

(c) **Future funding requirements**

The Company believes its available cash, the net proceeds of this Offer and the proceeds received from the Royalty Agreement will be adequate to fund its exploration, construction, development and production programs and other objectives in the short term as stated in this Prospectus. The cost of the plant construction is currently estimated to be in the region of \$32.5 million and approximately \$79.7 million (including construction) for the implementation of Stage 1 of the production plan for the Company's Antas North Project (\$9.1 million of which is attributable to working capital). These numbers may be revised in the future and there remains a risk that the Antas North Project cannot be developed economically.

There can be no assurance that the application of any funds on forthcoming exploration, construction, development and production programs, or subsequent programs, will result in the realisation of the Company's objectives. Even though an apparently viable project has been identified, there is no guarantee that it can be economically exploited and what effect this may have on the future profitability of the Company.

In addition, should additional funds be required for the Company's overall activities, there is no assurance that the funding will be available on acceptable terms, or at all. Any additional equity financing will dilute shareholdings, and debt financing, if available, may involve restrictions on financing and operating activities. If the Company is unable to obtain additional financing as needed, it may be required to reduce the scope of its operations and scale back its exploration, construction, development and production programs (as the case may be).

(d) **Mine development**

Possible future development of a mining operation at any of the Company's projects, in particular the Antas North Project, is dependent on a number of factors including, but not limited to, receiving the necessary approvals from all relevant authorities and parties, seasonal weather patterns, electricity supply disruptions, unanticipated technical and operational difficulties encountered in extraction and production activities, mechanical failure of operating plant and equipment, shortages or increases in the price of consumables, spare parts and plant and equipment, cost overruns for construction, construction delays, access to the required level of funding and contracting risk from third parties providing essential services.

If the Company commences production, its operations may be disrupted by a variety of risks and hazards which are beyond its control, including environmental hazards, such as tailings dam and construction failure, industrial accidents, access to mine closures, technical failures, labour disputes, electricity supply disruptions, unusual or unexpected rock formations, unexpected geotechnical issues, flooding and extended interruptions due to inclement of hazardous weather conditions and fires, explosions or accidents. No assurance can be given that the Company will achieve commercial viability through the development or mining of its projects and treatment of ore.

The Antas North Project is located in northern Brazil. This area has distinct wet and dry seasons. Most rain falls during the period from

December to April. Throughout this period, the Company's activities may be impacted. In the event that construction is not completed within the dry season, the Company may incur additional costs due to delays in completing construction during the wet season. The Company proposes to manage this risk by commencing development of a mine at the Antas North Project as soon as possible.

(e) **Sale of potential concentrate**

The Company is not currently party to an off-take agreement in respect of concentrates to be produced at the Antas North Project. While the Company is currently in the process of negotiating potential off-take arrangements, there can be no guarantee that these negotiations will be successful. Until such time as off-take arrangements can be finalised, there is a risk that the Company will be unable to find buyers for concentrates to be produced at the Antas North Project.

Further, in the event that off-take arrangements are secured, the obligation of an off-take partner to take product is likely to be conditional upon the concentrates meeting minimum quality specifications. There is a risk that the Company will not be able to meet these minimum specifications resulting in the Company needing to find substitute buyers for these concentrates in order to realise value. There can be no guarantee that a substitute buyer or market will exist for these concentrates.

(f) **Brazil**

The Company's projects are located in Brazil and the Company will be subject to the risks associated with operating in that country, including various levels of political, economic and other risks and uncertainties. These risks and uncertainties include, but are not limited to, terrorism, hostage taking, military repression, extreme fluctuations in currency exchange rates, high rates of inflation, labour unrest, the risks of war or civil unrest, expropriation and nationalization, renegotiation or nullification of existing concessions, licences, permits and contracts, illegal mining, changes in taxation policies, restrictions on foreign exchange and repatriation and changing political conditions, currency controls and changes to mining legislation by local, state and federal authorities, governmental regulations that favour or require the awarding of contracts to local contractors or require foreign contractors to employ citizens of, or purchase supplies from, a particular jurisdiction.

Changes, if any, in mining or investment policies or shifts in political attitude in Brazil may adversely affect the operations or profitability of the Company. Operations may be affected in varying degrees by government regulations with respect to, but not limited to, restrictions on production, price controls, export controls, foreign currency remittance, income taxes, expropriation of property, foreign investment, maintenance of claims, environmental legislation, land use, land claims of local people, water use and mine safety.

Failure to comply strictly with applicable laws, regulations and local practices relating to mineral rights applications and tenure, could result in loss, reduction or expropriation of entitlements, or the imposition of additional local or foreign parties as joint venture partners with carried or other interests.

Outcomes in courts in Brazil may be less predictable and may take longer than in Australia, which could affect the enforceability of contracts entered into by the Company or its subsidiaries in Brazil.

The occurrence of these various factors and uncertainties cannot be accurately predicted and could have an adverse effect on the operations or profitability of the Company. The Company has made its investment and strategic decisions based on the information currently available to the Directors, however should there be any material change in the political, economic, legal and social environments in Brazil, the Directors may reassess investment decisions and commitments to assets in Brazil.

7.3 Copper/Gold Industry specific

(a) Copper/Gold Price

Changes in the market price of copper or gold, which in the past have fluctuated widely, will affect the profitability of the Company's operations and its financial condition. The Company's revenues, profitability and viability depend on the market price of copper and gold produced from the Company's mines. The market price of both copper and gold are set in the world market and are affected by numerous industry factors beyond the Company's control including the demand for base and precious metals, expectations with respect to the rate of inflation, interest rates, currency exchange rates, the demand for jewellery and industrial products containing metals, copper and gold production levels, inventories, cost of substitutes, changes in global or regional investment or consumption patterns, and sales by central banks and other holders, speculators and procedures of copper, gold and other metals in response to any of the above factors, and global and regional political and economic factors.

A decline in the market price of copper or gold below the Company's production costs for any sustained period would have a material adverse impact on the profit, cash flow and results of operations of the Antas North Project and anticipated future operations. A decline in the market price of copper or gold may also require the Company to write-down its material reserves which would have a material adverse effect on the value of the Company's securities. Further, if revenue from copper and gold sales declines, the Company may experience liquidity difficulties. The Company will also have to assess the economic impact of any sustained lower copper and gold prices on recoverability and therefore, on cut-off grades and the level of its mineral reserves and resources.

(b) Title Risk

The mineral licences of the Company are granted subject to various conditions (including, without limitation, minimum work requirements). Failure to comply with conditions may lead to forfeiture. All of the licences in which the Company has or may, upon grant, have an interest in will be subject to renewal. If any of the mineral properties is not renewed for any reason the Company may suffer damage through loss of opportunity to develop. The Directors are not aware of any reason why renewal (or grant) of any mineral properties will not occur.

(c) **Operations**

The operations of the Company may be affected by various factors, including failure to locate or identify mineral deposits, failure to achieve predicted grades in exploration and mining, operational and technical difficulties encountered in mining, difficulties in commissioning and operating plant and equipment, mechanical failure or plant breakdown, unanticipated metallurgical problems which may affect extraction costs, adverse weather conditions, industrial and environmental accidents, industrial disputes and unexpected shortages or increases in the costs of consumables, spare parts, plant and equipment.

No assurances can be given that the Company will achieve commercial viability through the successful exploration and/or mining of its tenement interests. Until the Company is able to realise value from its projects, it is likely to incur ongoing operating losses.

7.4 General risks

(a) **Economic**

General economic conditions, movements in interest and inflation rates and currency exchange rates may have an adverse effect on the Company's exploration, development and production activities, as well as on its ability to fund those activities.

(b) **Market conditions**

Share market conditions may affect the value of the Company's quoted securities regardless of the Company's operating performance. Share market conditions are affected by many factors such as:

- (i) general economic outlook;
- (ii) introduction of tax reform or other new legislation;
- (iii) interest rates and inflation rates;
- (iv) changes in investor sentiment toward particular market sectors;
- (v) the demand for, and supply of, capital; and
- (vi) terrorism or other hostilities.

The market price of securities can fall as well as rise and may be subject to varied and unpredictable influences on the market for equities in general and resource exploration stocks in particular. Neither the Company nor the Directors warrant the future performance of the Company or any return on an investment in the Company.

(c) **Liquidity Risk**

There cannot be any guarantee that there will continue to be an active market for Shares or that the price of Shares will increase. Equity capital market conditions in Australia are currently in an uncertain state. There may be relatively few buyers or sellers of shares on ASX at any given time. This may affect the volatility of the market price of Shares. It may

also affect the prevailing market price at which Shareholders are able to sell Shares held by them. This may result in Shareholders receiving a market price for their Shares that is less or more than the price paid for the Shares.

(d) **Commodity price volatility and exchange rate risks**

If the Company achieves success leading to mineral production, the revenue it will derive through the sale of commodities exposes the potential income of the Company to commodity price and exchange rate risks. Commodity prices fluctuate and are affected by many factors beyond the control of the Company. Such factors include supply and demand fluctuations for precious and base metals, technological advancements, forward selling activities and other macro-economic factors.

Furthermore, international prices of various commodities are denominated in United States dollars, whereas the income and expenditure of the Company are and will be taken into account in Australian and Brazilian currencies, exposing the Company to the fluctuations and volatility of the rates of exchange between the United States dollar and the Australian dollar / Brazilian real (as the case may be) as determined in international markets.

(e) **Reliance on key personnel**

The responsibility of overseeing the day-to-day operations and the strategic management of the Company depends substantially on its senior management and its key personnel. There can be no assurance given that there will be no detrimental impact on the Company if one or more of these employees cease their employment.

7.5 Speculative investment

The above list of risk factors ought not to be taken as exhaustive of the risks faced by the Company or by investors in the Company. The above factors, and others not specifically referred to above, may in the future materially affect the financial performance of the Company and the value of the Shares offered under this Prospectus

Therefore, the Shares to be issued pursuant to this Prospectus carry no guarantee with respect to the payment of dividends, returns of capital or the market value of those Shares.

Potential investors should consider that the investment in the Company is speculative and should consult their professional advisers before deciding whether to apply for Shares pursuant to this Prospectus.

8. ADDITIONAL INFORMATION

8.1 Litigation

As at the date of this Prospectus, the Company is not involved in any legal proceedings and the Directors are not aware of any legal proceedings pending or threatened against the Company.

8.2 Continuous disclosure obligations

The Company is a “disclosing entity” (as defined in section 111AC of the Corporations Act) for the purposes of section 713 of the Corporations Act and, as such, is subject to regular reporting and disclosure obligations. Specifically, like all listed companies, the Company is required to continuously disclose any information it has to the market which a reasonable person would expect to have a material effect on the price or the value of the Company’s securities.

This Prospectus is a “transaction specific prospectus”. In general terms a “transaction specific prospectus” is only required to contain information in relation to the effect of the issue of securities on a company and the rights attaching to the securities. It is not necessary to include general information in relation to all of the assets and liabilities, financial position, profits and losses or prospects of the issuing company.

This Prospectus is intended to be read in conjunction with the publicly available information in relation to the Company which has been notified to ASX and does not include all of the information that would be included in a prospectus for an initial public offering of securities in an entity that is not already listed on a stock exchange. Investors should therefore have regard to the other publicly available information in relation to the Company before making a decision whether or not to invest.

Having taken such precautions and having made such enquires as are reasonable, the Company believes that it has complied with the general and specific requirements of ASX as applicable from time to time throughout the 3 months before the issue of this Prospectus which required the Company to notify ASX of information about specified events or matters as they arise for the purpose of ASX making that information available to the stock market conducted by ASX.

Information that is already in the public domain has not been reported in this Prospectus other than that which is considered necessary to make this Prospectus complete.

The Company, as a disclosing entity under the Corporations Act states that:

- (a) it is subject to regular reporting and disclosure obligations;
- (b) copies of documents lodged with the ASIC in relation to the Company (not being documents referred to in section 1274(2)(a) of the Corporations Act) may be obtained from, or inspected at, the offices of the ASIC; and
- (c) it will provide a copy of each of the following documents, free of charge, to any person on request between the date of issue of this Prospectus and the Closing Date:

- (i) the annual financial report most recently lodged by the Company with the ASIC;
- (ii) any half-year financial report lodged by the Company with the ASIC after the lodgement of the annual financial report referred to in (i) and before the lodgement of this Prospectus with the ASIC; and
- (iii) any continuous disclosure documents given by the Company to ASX in accordance with the ASX Listing Rules as referred to in section 674(1) of the Corporations Act after the lodgement of the annual financial report referred to in (i) and before the lodgement of this Prospectus with the ASIC.

Copies of all documents lodged with the ASIC in relation to the Company can be inspected at the registered office of the Company during normal office hours.

Details of documents lodged by the Company with ASX since the date of lodgement of the Company's latest annual financial report and before the lodgement of this Prospectus with the ASIC are set out in the table below.

Date	Description of Announcement
07/05/2015	Becoming a substantial holder
07/05/2015	Section 708A Notice
07/05/2015	Appendix 3B
30/04/2015	Quarterly Cashflow Report
30/04/2015	Quarterly Activities Report
22/04/2015	Stage 1 Financed into Production
20/04/2015	Trading Halt
16/04/2015	Extension of Time to Hold AGM
20/03/2015	Annual Report 31 December 2014

ASX maintains files containing publicly available information for all listed companies. The Company's file is available for inspection at ASX during normal office hours.

The announcements are also available through the Company's website www.avancorresources.com.

8.3 Lead Manager Mandate

By an agreement between Bell Potter and the Company dated 21 April 2015 (**Lead Manager Mandate**), Bell Potter agreed to act as lead manager and broker to:

- (a) the placement to sophisticated and professional investors under Part 6D.2 of the Corporations Act of 249,521,378 Shares at \$0.08 each to raise \$19,961,710 before costs (**Placement**); and

- (b) the Offer.

Pursuant to the Lead Manager Mandate, the Company has agreed to pay the Lead Manager:

- (a) an offer management fee equal to 2% of the Proceeds (**Management Fee**); and
- (b) a selling fee equivalent to 3% of the Proceeds (**Selling Fee**).

The Company agrees to pay the Management Fee and Selling Fee to Bell Potter on the date the Company receives the Proceeds raised under the Placement by way of a deduction from the gross amount raised (excluding GST) from the Placement.

The Lead Manager Mandate also contains provisions relating to indemnities, exclusivity and announcements that are considered standard for an agreement of this type.

8.4 Interests of Directors

Other than as set out in this Prospectus, no Director or proposed Director holds, or has held within the 2 years preceding lodgement of this Prospectus with the ASIC, any interest in:

- (a) the formation or promotion of the Company;
- (b) any property acquired or proposed to be acquired by the Company in connection with:
 - (i) its formation or promotion; or
 - (ii) the Offer; or
- (c) the Offer,

and no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given to a Director or proposed Director:

- (d) as an inducement to become, or to qualify as, a Director; or
- (e) for services provided in connection with:
 - (i) the formation or promotion of the Company; or
 - (ii) the Offer.

Remuneration

The remuneration of an executive Director is decided by the Board, without the affected executive Director participating in that decision-making process. The total maximum remuneration of non-executive Directors is initially set by the Constitution and subsequent variation is by ordinary resolution of Shareholders in general meeting in accordance with the Constitution, the Corporations Act and the ASX Listing Rules, as applicable. The determination of non-executive Directors' remuneration within that maximum will be made by the Board having regard to the inputs and value to the Company of the respective contributions by each non-executive Director. The current amount has been set at an amount not to exceed \$500,000 per annum.

A Director may be paid fees or other amounts (ie non-cash performance incentives such as Options, subject to any necessary Shareholder approval) as the other Directors determine where a Director performs special duties or otherwise performs services outside the scope of the ordinary duties of a Director. In addition, Directors are also entitled to be paid reasonable travelling, hotel and other expenses incurred by them respectively in or about the performance of their duties as Directors.

The following table shows the total (and proposed) annual remuneration paid to both executive and non-executive directors (noting that the Company recently changed its financial year end from 30 June to 31 December (as announced by the Company on 20 November 2014)).

Director	Year Ended 30 June 2014 ¹	Half-Year Ended 31 December 2014 ¹	Year Ending 31 December 2015 ²
Colin Jones	\$164,271	\$87,209	\$160,000
Anthony Polglase	\$644,000	\$204,167	\$350,000
Scott Funston ³	\$169,000	\$119,063	\$120,000
Simon Mottram	\$496,000	\$175,000	\$300,000
Wayne Phillips	\$349,000	\$158,333	\$300,000
Luis Azevedo	\$343,286	\$116,200	\$199,200

Notes:

1. This includes director fees, consulting fees, cash bonuses and Share based payments in the relevant periods.
2. Additional Share and Option based payments may be payable to the Directors in the future, subject to the Company obtaining prior Shareholder approval.
3. Mr Funston charges accounting fees on an hourly rate. The amount each month varies and as the amounts are uncertain, they have not been included in this table.

8.5 Interests of experts and advisers

Other than as set out below or elsewhere in this Prospectus, no:

- person named in this Prospectus as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus;
- promoter of the Company; or
- underwriter (but not a sub-underwriter) to the issue or a financial services licensee named in this Prospectus as a financial services licensee involved in the issue,

holds, or has held within the 2 years preceding lodgement of this Prospectus with the ASIC, any interest in:

- the formation or promotion of the Company;

- (e) any property acquired or proposed to be acquired by the Company in connection with:
 - (i) its formation or promotion; or
 - (ii) the Offer; or
- (f) the Offer,

and no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given to any of these persons for services provided in connection with:

- (g) the formation or promotion of the Company; or
- (h) the Offer.

Steinepreis Paganin has acted as the solicitors to the Company in relation to the Offer. The Company estimates it will pay Steinepreis Paganin \$30,000 (excluding GST and disbursements) for these services.

Bell Potter will be paid the fees set out in Section 8.3 of this Prospectus.

8.6 Consents

Each of the parties referred to in this Section:

- (a) does not make, or purport to make, any statement in this Prospectus other than those referred to in this Section;
- (b) to the maximum extent permitted by law, expressly disclaim and take no responsibility for any part of this Prospectus other than a reference to its name and a statement included in this Prospectus with the consent of that party as specified in this Section.

Steinepreis Paganin has given its written consent to being named as the solicitors to the Company in this Prospectus. Steinepreis Paganin has not withdrawn its consent prior to the lodgement of this Prospectus with the ASIC.

Bell Potter has given its written consent to being named as lead manager and broker to the Company in this Prospectus. Bell Potter has not withdrawn its consent prior to the lodgement of this Prospectus with the ASIC.

8.7 Expenses of the offer

In the event that all Entitlements are accepted, the total expenses of the Offer are estimated to be approximately \$2,395,247 (excluding GST) and are expected to be applied towards the items set out in the table below:

	\$
ASIC fees	2,290
ASX fees	39,644
Lead Manager fees	2,303,313
Legal fees	30,000
Printing and distribution	10,000
Miscellaneous	10,000
TOTAL	2,395,247

8.8 Electronic prospectus

Pursuant to Class Order 00/44, the ASIC has exempted compliance with certain provisions of the Corporations Act to allow distribution of an electronic prospectus and electronic application form on the basis of a paper prospectus lodged with the ASIC, and the publication of notices referring to an electronic prospectus or electronic application form, subject to compliance with certain conditions.

If you have received this Prospectus as an electronic Prospectus, please ensure that you have received the entire Prospectus accompanied by the Application Forms. If you have not, please phone the Company on +61 8 9324 1865 and the Company will send you, for free, either a hard copy or a further electronic copy of the Prospectus, or both. Alternatively, you may obtain a copy of this Prospectus from the Company's website at www.avancorresources.com.

The Company reserves the right not to accept an Application Form from a person if it has reason to believe that when that person was given access to the electronic Application Form, it was not provided together with the electronic Prospectus and any relevant supplementary or replacement prospectus or any of those documents were incomplete or altered.

8.9 Financial forecasts

The Directors have considered the matters set out in ASIC Regulatory Guide 170 and believe that they do not have a reasonable basis to forecast future earnings on the basis that the operations of the Company are inherently uncertain. Accordingly, any forecast or projection information would contain such a broad range of potential outcomes and possibilities that it is not possible to prepare a reliable best estimate forecast or projection.

8.10 Clearing House Electronic Sub-Register System (CHES) and Issuer Sponsorship

The Company will not be issuing share certificates. The Company is a participant in CHES, for those investors who have, or wish to have, a sponsoring stockbroker. Investors who do not wish to participate through CHES will be issuer sponsored by the Company. Because the sub-registers are electronic, ownership of securities can be transferred without having to rely upon paper documentation.

Electronic registers mean that the Company will not be issuing certificates to investors. Instead, investors will be provided with a statement (similar to a bank account statement) that sets out the number of Shares issued to them under this Prospectus. The notice will also advise holders of their Holder Identification Number or Security Holder Reference Number and explain, for future reference, the sale and purchase procedures under CHES and issuer sponsorship.

Further monthly statements will be provided to holders if there have been any changes in their security holding in the Company during the preceding month.

8.11 Privacy Act

If you complete an application for Shares, you will be providing personal information to the Company (directly or by the Company's share registry). The Company collects, holds and will use that information to assess your application, service your needs as a holder of equity securities in the Company, facilitate distribution payments and corporate communications to you as a Shareholder and carry out administration.

The information may also be used from time to time and disclosed to persons inspecting the register, bidders for your securities in the context of takeovers, regulatory bodies, including the Australian Taxation Office, authorised securities brokers, print service providers, mail houses and the Company's share registry.

You can access, correct and update the personal information that we hold about you. Please contact the Company or its share registry if you wish to do so at the relevant contact numbers set out in this Prospectus.

Collection, maintenance and disclosure of certain personal information is governed by legislation including the Privacy Act 1988 (Cth) (as amended), the Corporations Act and certain rules such as the ASX Settlement Operating Rules. You should note that if you do not provide the information required on the application for Shares, the Company may not be able to accept or process your application.

9. DIRECTORS' AUTHORISATION

This Prospectus is issued by the Company and its issue has been authorised by a resolution of the Directors.

In accordance with section 720 of the Corporations Act, each Director has consented to the lodgement of this Prospectus with the ASIC.

Scott Funston
Executive Director
For and on behalf of
AVANCO RESOURCES LIMITED

10. GLOSSARY

\$ means the lawful currency of the Commonwealth of Australia.

Antas North Project means the Company's Antas North Project located in the Carajás Mineral Province of Brazil and which is represented by licence DNPM No. 853.714/1993, held by AVB Mineração Ltda, a subsidiary of the Company incorporated in Brazil.

Applicant means a Shareholder who applies for Shares pursuant to the Offer or a Shareholder or other party who applies for Shortfall Shares pursuant to the Shortfall Offer.

Application Form means an Entitlement and Acceptance Form or Shortfall Application Form as the context requires.

ASIC means the Australian Securities and Investments Commission.

ASX means ASX Limited (ACN 008 624 691) or the financial market operated by it as the context requires.

ASX Listing Rules means the listing rules of the ASX.

ASX Settlement Operating Rules means the settlement rules of the securities clearing house which operates CHESS.

Board means the board of Directors unless the context indicates otherwise.

Business Day means Monday to Friday inclusive, except New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day and any other day that ASX declares is not a business day.

Closing Date means the date specified in the timetable set out at the commencement of this Prospectus (unless extended).

Company means Avanco Resources Limited (ACN 126 379 646).

Constitution means the constitution of the Company as at the date of this Prospectus.

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

Directors means the directors of the Company as at the date of this Prospectus.

Entitlement means the entitlement of a Shareholder who is eligible to participate in the Offer.

Entitlement and Acceptance Form means the entitlement and acceptance form either attached to or accompanying this Prospectus.

Lead Manager or Bell Potter means Bell Potter Securities Limited (ACN 006 390 772) (AFSL 243480).

Offer means the non-renounceable entitlement issue the subject of this Prospectus.

Official Quotation means official quotation on ASX.

Option means an option to acquire a Share.

Optionholder means a holder of an Option.

Participating Substantial Holders has the meaning given to that term in Section 3.3.

Proceeds means the gross amount raised under the Offer and the Placement (excluding any monies provided by Greenstone Resources LP under the Placement).

Prospectus means this prospectus.

Record Date means the date specified in the timetable set out at the commencement of this Prospectus..

Royalty Agreement means the binding royalty agreement between the Company and Blackrock Inc. for a US\$12 million non-dilutive net smelter return royalty investment in regard to the Antas North Project, as announced by the Company on 28 July 2014.

Share means a fully paid ordinary share in the capital of the Company.

Shareholder means a holder of a Share.

Shortfall means the Shares not applied for under the Offer (if any).

Shortfall Application Form means the shortfall application form either attached to or accompanying this Prospectus.

Shortfall Offer means the offer of the Shortfall on the terms and conditions set out in Section 3.5 of this Prospectus.

Shortfall Shares means those Shares issued pursuant to the Shortfall.

WST means Western Standard Time as observed in Perth, Western Australia.