

DECEMBER 2015 QUARTERLY ACTIVITIES REPORT

HIGHLIGHTS

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ASX Symbol: AVB



- Construction at Antas is progressing on schedule and within budget
- Commissioning to commence in current quarter
- The plant has been energised via the 10km grid power line
- The lump sum turnkey Metso filter construction is complete and awaiting wet commissioning
- The crushing circuit is fully operational
- Mechanical-electrical and electrical reticulation are on “critical path” and remain only material works to be completed in construction phase
- Mining, explosives and diesel fuel contracts executed
- Antas Phase 1 pit grade control geological model confirms upside to the Mineral Resource / Ore Reserve estimates
- Mining is on schedule with ~11,000t of ore at 2.55% Copper extracted from the open pit and delivered to the ROM pad ready for processing
- Management believes the Company remains fully funded to advance Antas into production and is debt free. Concentrate offtake contracts are in final stages of negotiation
- Approximately 600,000 man hours have been worked since construction commenced in May 2015 with No Lost Time Injuries
- Diamond drilling continues at Pedra Branca with latest results confirming the high grade nature of the East zone:
 - 24.6m at 1.15% copper, 0.35g/t gold from 138.40m including 7.00m at 2.07% copper, 0.66g/t gold from 152.00m
 - 24.7m at 1.93% copper, 0.41g/t gold from 275.30m including 9.7m at 3.10% copper, 0.66g/t gold from 275.30m
- Planned drilling at Pedra Branca East will target increasing the confidence level for the Resources to the Indicated category and facilitate design of the proposed box-cut
- Auger geochemistry west of Pedra Branca outlined coincident Nickel, Copper and Platinum Group Elements anomalism over two distinct magnetic highs. Mapping and rock chip sampling shows both magnetic highs to be related to layered mafic-ultramafic intrusions with exploration work ongoing

Avanco Resources Limited (“Avanco” or “Company”) is pleased to present its Quarterly Activities Report for the period ending 31 December 2015.

The Company’s focus during the quarter continued to be on the development of the Antas Copper Mine located in the world class Carajás Mineral Province of Para State in northern Brazil.

1. ANTAS MINE DEVELOPMENT

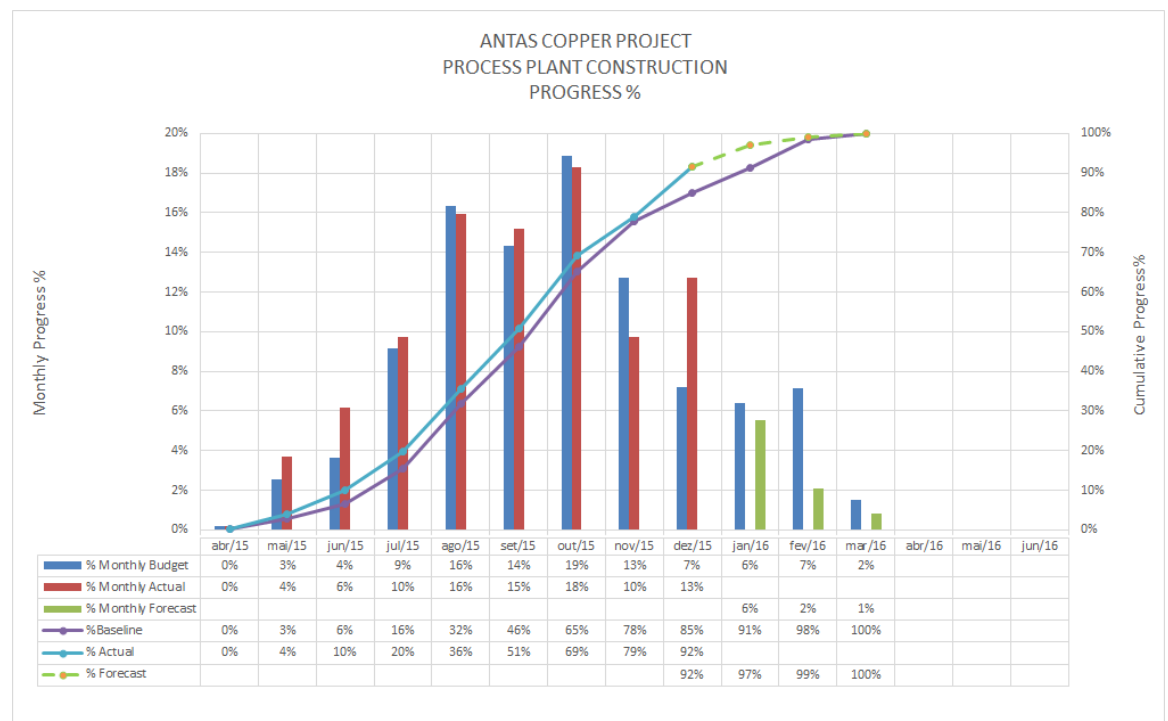
Pre-production mining and plant construction works progressed on schedule with completion anticipated during the March 2016 quarter.

Eighty-five percent of capital expenditure has now been committed and expenditure remains within the projected budget.

Construction site personnel numbers peaked at around 700 during the quarter prior to demobilization of the earthworks and civil contractors. Mechanical and electrical works represent the majority of outstanding construction activities. Piping and electricals around the flotation cells currently represent the “critical path”. Avanco’s owner’s team has been expanded to reinforce supervision during the lead up to completion of site works.

Whilst commissioning of the crushing section is complete, the start of commissioning of the processing facility as a whole will commence before the conclusion of the March 2016 quarter.

The Company remains of the view that it is adequately funded to advance Antas into production. Cash on hand increased following receipt of the second US\$4 million tranche from the US\$12 million BlackRock Royalty Transaction. The final US\$4 million tranche is expected during the March 2016 quarter.



Whilst construction activities are exposed to the pending wet season, it can be seen from the above “S” curve that plant construction progress is currently ~92% complete and still on schedule for completion prior to the end of March 2016.

Mining

Mining contract negotiations were completed and a contract with Mining and Civil Australia (MACA) finalised. Major earthworks commenced in October.

Continuous twenty four hour mining operations commenced in November with a full personnel compliment. MACA has taken delivery of a Liebherr R9100 excavator, which is achieving recording movements of >530bcm/hr.

MACA’s performance continues to exceed management’s expectations with mining comfortably ahead of schedule.

The majority of free dig saprolitic material has been stripped from the Phase 1 and 2 open pits. Over 11,000t of copper ore grading 2.55% was extracted and delivered to the ROM pad during the quarter.

December Quarter Ore and Waste Movements

Area	bcm	tonnes	Cu (%)	Au(g/t)
Saprolite Gold Ore	39,456	77,460	1.01	3.02
ROM Copper Ore	3,701	11,343	2.55	0.83
Waste	236,254	590,065		
Total Material Moved	279,411	678,868		



R9100 excavator loading on the 225RL in Antas Phase 1 open pit

Blasting

An explosives contract was awarded to Britanite (IBQ) for a full “Down the Hole” service to the Antas operation. Britanite supplies explosives to several other major mining operations in the Carajás region and is the largest supplier of explosives in South America with around 47% of the Brazilian market.

The first fresh rock ore blast occurred in December following confirmation of design protocols by a recognised international specialist blasting group.

Blasting is showing continuous improvement through optimising of blast drill hole patterns and ongoing training.



Mobile equipment workshops and mining offices now operational



Established waste dump area

Grade Control

An interpretation of results from the Antas Phase 1 pit grade control drilling geological model confirms a high probability of upside when reconciled against the current Mineral Resource / Ore Reserve estimates and confirms the robustness of the ore body.

Tailings Management Facility (TMF)

Construction of the tailings dam was completed in November as scheduled. The installation of electrical and water reclaim reticulation systems has commenced.



Finishing of tailings dam wall slope faces

Operational Readiness

A swift and smooth transition into production is key to start-up success and accordingly Avanco's Brazilian management team was carefully selected. Management staffing levels are already adequate for commissioning during the March 2016 quarter. The Carajás region has an abundance of well-trained mining people should any need for additional personnel arise.

Avanco's Managing Director will reside on site throughout the commissioning period and will deploy contingency funds as required to mitigate any start-up issues.

Installation of a bespoke Brazilian business management and accounting system is well advanced. This will facilitate the management of budgeting and reporting requirements.

The processing facility has been successfully energised via the 10km grid power line. The lump sum turnkey Metso filter construction is complete and awaiting wet commissioning.

A 2 year agreement was successfully negotiated with the local workers union wherein labour shift patterns, salaries and certain corporate protections against arbitrary claims have been agreed to.

Plant Construction Photo Update



View of the beneficiation plant – construction at an advanced stage



Crushing section is now operational



Ball mill, feed conveyor and hydrocyclones now installed.



Torquing of trunnion head bolts on Metso ball mill



Installed flotation cells with plant control room overlooking cells



Finalising flotation cells mechanical erection activities with plant control room in background



Concentrate thickener installation at an advanced stage



Metso filter press successfully cold commissioned



Filter building on right with adjoining concentrate building to the left



Process and raw water tanks



Plant offices and mine dining hall



Mine access road including construction of two bridges completed

Concentrate Marketing and Logistics

Avanco is in the decisive stages of awarding concentrate offtake contracts. Following a final round in the competitive bidding process, the Company short-listed three groups in late December for closing negotiations.

Avanco is currently working through draft contracts and final detailed terms with the short-listed groups. Avanco's offtake strategy is to award two contracts through to the end of 2018.

Avanco has committed the first 500 tonnes of concentrate production to a "spot" sale on competitive terms and which will be exported as soon as first production is available for shipment.

Copper concentrate will be shipped in containers that will be loaded at the mine site and exported in approximately 5,000 tonne lots, with regular shipments planned following the initial start-up period.

Avanco is working with a well respected international logistics and freight company with a strong presence in Brazil who are well advanced with the trucking, logistics and freight arrangements.

Health, Safety and Environment

Approximately 600,000 man hours have been worked since construction commenced in May 2015 with No Lost Time Injuries or Environmental events reported.

Employees and contractors are provided with mandatory and comprehensive safety induction training for the specific needs of construction activities and this training will continue into operational readiness and production activities.

Antas Mine Economics

A high copper grade along with gold by-product credits provides for a financially robust project. Antas is therefore forecast to be a low cost copper producer.

C1 and cash costs in US Dollars are anticipated to fall within the 1st Quartile with expectations from current economic modelling* as follows:

▪ Mine gate cost	\$0.48/lb Cu
▪ C1	\$0.99/lb Cu
▪ C2**	\$1.36/lb Cu
▪ C3	\$1.57/lb Cu
▪ Cash Cost	\$1.20/lb Cu
▪ EBITDA	\$217m

* Results are based on copper prices of US\$2/lb for 2016, US\$2.5/lb for 2017, US\$3.20 for 2018 onwards, gold US\$1,100oz, FX USD:BRL 4.0, LOM, NIL discount rate.

** Includes capital allocated for development cutbacks in the open pit

3. PEDRA BRANCA

Pedra Branca is the Company's second and much larger copper project located 50km southwest of Antas.

Development work continues at Pedra Branca with a focus on infill drilling, and geotechnical and hydrological studies. Highlights of the work completed during the quarter include:

- Completion of 2 (APBD-15-50, APBD-15-51) out of 3 infill diamond drill holes at Pedra Branca East targeting an area where further structural information is required. Both holes intersected wide, strongly mineralised zones as anticipated, and showed no structural offset. The third hole is in progress.
- Significant down-hole intersections returned from holes APBD-15-50 and APBD-15-51 were:
 - 24.6m at 1.15% copper, 0.35g/t gold from 138.40m **APBD-15-50**
including **7.00m at 2.07% copper, 0.66g/t gold** from 152.00m
 - 24.7m at 1.93% copper, 0.41g/t gold from 275.30m **APBD-15-51**
including **9.7m at 3.10% copper, 0.66g/t gold** from 275.30m

Drilling at Pedra Branca East will continue with a programme of near surface drilling planned to increase confidence in the near surface resource to the Indicated Resource category. This will enable planning for the proposed box-cut to be advanced.

Management believes that Pedra Branca (East+West) has the potential to be developed into a ~35,000tpa copper mining operation. However, cognisant of current market conditions, an option of a smaller, lower-capex, East-only "Starter Mine" is not being discounted. Pedra Branca East is higher grade, wider and better understood and could be expanded into a larger scale operation in the future.

4. REGIONAL EXPLORATION

Regional exploration activities focused on the power auger geochemistry programme at Macacos prospect, located approximately 25km west of Pedra Branca.

Soil sampling has revealed strongly coincident Ni-Cu-PGE anomalism over two distinct magnetic highs. Mapping and rock chip sampling confirmed that both magnetic highs are related to layered mafic-ultramafic intrusions (peridotite-pyroxenite-gabbro).

A programme of power auger drilling is in progress. The composition of saprolite rocks intersected to date indicate primitive parental magmas in both bodies, something which is not unusual in the Carajás Mineral Province. There is an abundance of primitive crustal contaminated layered intrusions in the Carajás, and several known Ni-Cu-PGE and PGE-Ni deposits.

Results from the auger drilling programme continue to show sub-economic to economic levels of coincident nickel and copper, with sporadic palladium anomalism.

Generative work continues to examine new opportunities.

5. CORPORATE

Progress at Antas is encouraging and the project remains on target for commissioning during the March 2016 Quarter.

Construction is within budget and the Company has sufficient funds on hand to see Antas into production (assisted significantly by a softening local currency).

The Company's cash position as of the end of December was \$43.45m. A further US\$4m is available from the BlackRock Royalty Transaction.

Tony Polglase
Managing Director

ABOUT AVANCO

- Avanco (ASX-AVB) is an emerging mid-tier copper company situated in the mining friendly, world class Carajás Mineral Province of Brazil
- Avanco either owns, or holds the rights to 100% of the second largest area of mineral tenure in the Carajás region behind Vale
- The Company is 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
- Management has been successful in financing the development of Antas via an equity capital raising placing Avanco in a strong position to fund the Company into production whilst remaining debt and covenant free
- Construction of the Stage 1 Antas open pit project is nearing completion and is expected to produce around 12,000tpa of copper in concentrate (with 7,000ozpa of gold credits) from early 2016, increasing to 15,000tpa by 2018
- Antas will produce a desirable, clean copper concentrate and the Company retains ownership to the rights for its production off-take
- The future development of the Stage 2 Pedra Branca underground project has the potential to increase Avanco's production ~50,000tpa of copper in 4-5 years
- The Company is well supported by institutional shareholders: Blackrock World Mining Trust, Appian Natural Resources Fund, Greenstone Resources and Glencore
- Avanco is managed by highly experienced international and Brazilian mining professionals, most of whom are Portuguese speaking and reside in Brazil
- Whilst near term priorities are focussed on advancing to copper producer status and mine life growth, Brazil offers significant opportunities to enhance shareholder value through new discoveries, acquisitions or partnerships with neighbouring majors and other companies within and outside of the Carajas

CARAJAS - TOTAL JORC Reported Mineral Resources ^{1,2,3,4}							
DEPOSIT	Category	Million Tonnes	Cu (%)	Au (ppm)	Copper Metal (T)	Gold Metal (Oz)	
PB East ⁵	Indicated	7.96	2.81	0.63	224,000	160,000	
	Inferred	3.43	2.70	0.61	92,000	67,000	
	Total	11.39	2.78	0.62	316,000	227,000	
PB West ⁵	Indicated	4.46	2.04	0.61	91,000	87,000	
	Inferred	2.74	1.72	0.56	47,000	49,000	
	Total	7.19	1.92	0.59	138,000	136,000	
PEDRA BRANCA	Total	18.58	2.45	0.61	454,000	363,000	
ANTAS NORTH ⁵	Measured	2.83	3.01	0.72	85,000	66,000	
	Indicated	1.65	2.20	0.42	36,000	22,000	
	Inferred	1.9	1.59	0.23	30,000	14,000	
	Total	6.38	2.38	0.50	152,000	102,000	
ANTAS SOUTH ⁶	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		35.04	1.97	0.47	691,000	530,000	
ANTAS NORTH – JORC Reported Ore Reserves ^{7,8}							
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. See ASX Announcement "Pedra Branca Resource Upgrade Delivers Substantial Increase in Both Contained Copper and Confidence", 13 July 2015, for Competent Person's Consent, material assumptions, and technical parameters underpinning the Pedra Branca resource estimates
2. 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
3. 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
4. The Antas South JORC compliant resource was prepared and first disclosed under the JORC Code 2004. It has 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
5. Grade Tonnage Reported above a Cut-off Grade of 0.9% Copper
6. Grade Tonnage Reported above a Cut-off Grade of 0.3% Cu for Oxide Resources
7. 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
8. Measured and Indicated Resources are inclusive of those Mineral Resources modified to produce the Ore Reserves

Appendix 1 – Interests in Mining Tenements Held

Project	Property Name	Tenure Title Holder	Interest %	AREA (ha)	DNPM ⁸ No of Area	Status of Tenure
STAGE 1	RIO VERDE	AVB	100	7,290.69	PL 470	Mining Concession
	RIO VERDE	AVB	100	7,290.69	853.714/1993	Mining Concession
	SERRA VERDE	AVB	100	2,391	850.622/2007	#
	SERRA VERDE	AVB	100	7,359	850.892/2006	Granted to 2018
	ESTRELA EAST	VDM**	100	4,230	850.825/2005	#
	AGUA BOA	VDM	100	1,327	850.016/2013	#
	AGUA BOA	ARM	100	8,907	850.823/2005	***
	AGUA BOA	ARM	100	6,552	850.121/2009	Granted to 2016
	AGUA BOA	VDM	100	8,957	850.826/2012	***
STAGE 2	PEDRA BRANCA	VDM	100	3,195	850.318/2000	Final Report Approved
	PEDRA BRANCA	VDM**	100	9,997	850.015/2008	Granted to 2016
	PEDRA BRANCA	VDM	100	8,881	850.570/2003	Granted to 2016
	PEDRA BRANCA	AVB	100	4,106	850.202/2013	Granted to 2016
	PEDRA BRANCA	VDM	100	9,391	850.707/2009	Granted to 2017
	PEDRA BRANCA	VDM	100	9,879	850.526/2004	Granted to 2017
	PEDRA BRANCA	VDM	100	1,040	850.278/2005	Granted to 2017
	PEDRA BRANCA	EST	100	4,998	850.053/2014	Granted to 2018
	PEDRA BRANCA	VDM	#	9,859	851.067/2007	Granted to 2018
	PEDRA BRANCA	VDM**	100	240	850.217/2000	Granted to 2018
	PEDRA BRANCA	AVB	#	5,000	851.674/2011	Granted to 2018
	PEDRA BRANCA	VDM	#	7,770	850.780/2012	Granted to 2018
	PEDRA BRANCA	VDM	100	9,988	850.226/2009	^
	PEDRA BRANCA	EST	#	4,999	850.700/2013	#
	PEDRA BRANCA	AVB	#	598	300.420/2011	#
	PEDRA BRANCA	VDM**	#	4,980	850.146/1995	#
	PEDRA BRANCA	VDM**	#	9,993	850.173/2002	#
	PEDRA BRANCA	VDM**	#	9,755	850.181/2001	#
	PEDRA BRANCA	VDM**	#	10,000	850.300/1993	#
	PEDRA BRANCA	EST	#	1,904	851.037/2013	****
Terrativa Carajas Option	CARAJAS REGIONAL	TM	#@	182	850.570/2014	#@
	CARAJAS REGIONAL	TM	#@	5,409	851797/2013	#@****
	CARAJAS REGIONAL	TM	#@	9,729	850288/2014	Granted to 2018
Touro Nickel Project	TRINDADE SOUTH	AVB	#	9,797	850.781/2013	#
	TRINDADE SOUTH	AVB	#	9,797	850.569/2011	Granted to 2018
Regional Exploration	CARAJAS NORTH	VDM	#	4,347	850.015/2013	****

AVB = AVB Mineracao ARM = Avanco Resources Mineracao VDM = Vale Dourado Mineracao EST = Estela do Brazil Mineracao
 TM = Terrativa Minerias.S.A.

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

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

*** Subject to pending legal process

**** Option Agreement

^ Application for an extension of term, awaiting decision

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

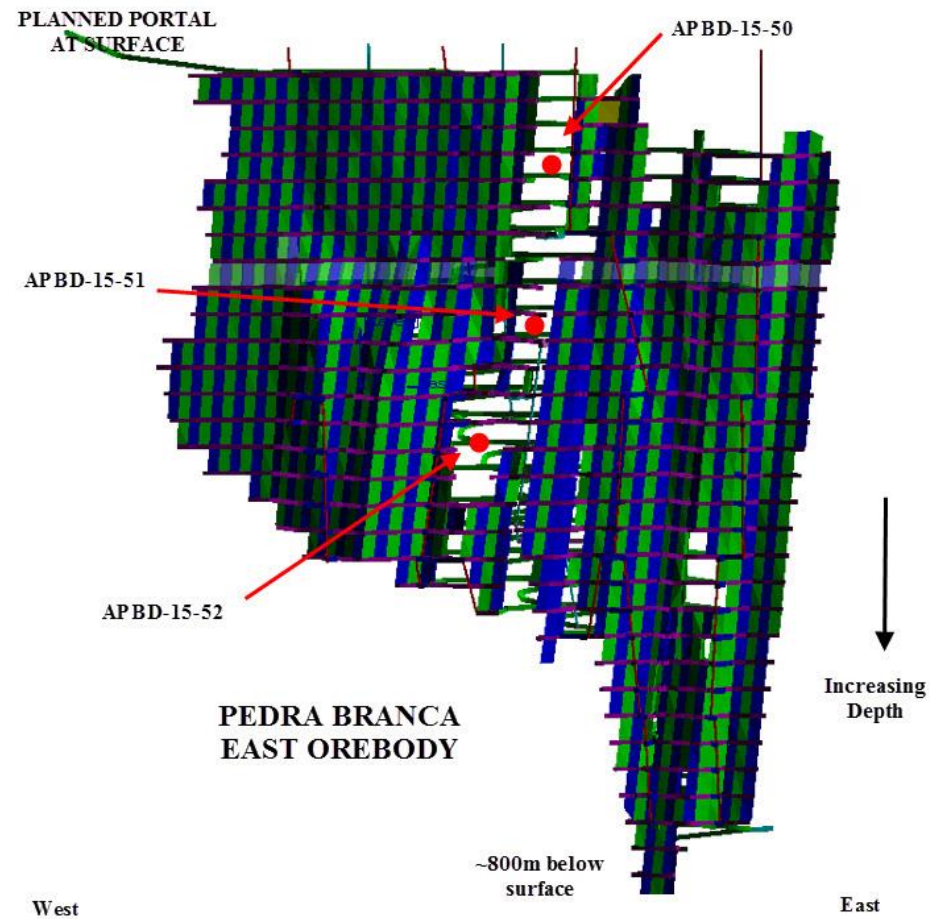
@ Part of the Terrativa Option

Summary of Exploration and Evaluation Expenditure Incurred per Project

Project	Current Quarter Payments \$A'000
Stage 1	129
Stage 2	483
Regional Exploration	220
Total	832

PEDRA BRANCA - DIAMOND DRILLING RESULTS 2015/2016

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
APBD-15-50	607090.000	9272925.000	234.000	-60	360	200.45	Completed	138.40	~120	164.00	24.60	~21	1.15	0.35
Incl.								152.00	~132	159.00	7.00	~6	2.07	0.66
APBD-15-51	607090.000	9272825.000	237.000	-60	360	333.30	Completed	275.30	~238	300.00	24.70	~21	1.93	0.41
Incl.								275.30	~238	285.00	9.70	~8	3.10	0.66
APBD-15-52	607090.000	9272975.000	234.000	-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	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> 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.
	<ul style="list-style-type: none"> Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used. 	<ul style="list-style-type: none"> The drill hole collar locations are surveyed by a Global Positioning System (GPS) instrument. 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).
	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> 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	<ul style="list-style-type: none"> 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). 	<ul style="list-style-type: none"> Drilling is a combination of HQ and NQ Diamond drilling. Core is reconstructed into continuous runs on an angle iron cradle orientation device.
Drill sample recovery	<ul style="list-style-type: none"> Method of recording and assessing core and chip sample recoveries and results assessed. 	<ul style="list-style-type: none"> Diamond core recoveries are logged and recorded in the database. Overall recoveries are consistently >95% in oxide and >99% 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
	<ul style="list-style-type: none"> Measures taken to maximise sample recovery and ensure representative nature of the samples. 	<ul style="list-style-type: none"> 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.

Criteria	JORC Code explanation	Commentary
	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> There is no known sample bias or potential for sample bias.
Logging	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> 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.
	<ul style="list-style-type: none"> Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography. 	<ul style="list-style-type: none"> Drill samples are logged for lithology, weathering, structure (diamond core), mineralogy, mineralisation, colour and other features. Core is photographed both wet and dry.
	<ul style="list-style-type: none"> The total length and percentage of the relevant intersections logged. 	<ul style="list-style-type: none"> All drill holes are logged in full from start to finish of the hole.
Sub-sampling techniques and sample preparation	<ul style="list-style-type: none"> If core, whether cut or sawn and whether quarter, half or all core taken. 	<ul style="list-style-type: none"> 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.
	<ul style="list-style-type: none"> If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry. 	<ul style="list-style-type: none"> All drilling to date has been by diamond core.
	<ul style="list-style-type: none"> For all sample types, the nature, quality and appropriateness of the sample preparation technique. 	<ul style="list-style-type: none"> Sample preparation is according to industry standard, including oven drying, coarse crush, and pulverisation to at least 85% passing 100µm or better.
	<ul style="list-style-type: none"> Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples. 	<ul style="list-style-type: none"> 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.
	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> 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.
	<ul style="list-style-type: none"> Whether sample sizes are appropriate to the grain size of the material being sampled. 	<ul style="list-style-type: none"> Sample sizes are considered to be appropriate and correctly represent the style and type of mineralisation.
	<ul style="list-style-type: none"> The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered 	<ul style="list-style-type: none"> 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

Criteria	JORC Code explanation	Commentary
Quality of assay data and laboratory tests	<i>partial or total.</i>	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 considered total and appropriate.
	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> 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.
	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> 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	<ul style="list-style-type: none"> The verification of significant intersections by either independent or alternative company personnel. 	<ul style="list-style-type: none"> 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.
	<ul style="list-style-type: none"> The use of twinned holes. 	<ul style="list-style-type: none"> 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.
	<ul style="list-style-type: none"> Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols. 	<ul style="list-style-type: none"> Primary data is collected on Excel templates with detailed geological and structural logging recorded on paper. Information is transferred, validated, compiled, 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.
	<ul style="list-style-type: none"> Discuss any adjustment to assay data. 	<ul style="list-style-type: none"> No adjustments or calibrations are made to assay data.
Location of data points	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> 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.
	<ul style="list-style-type: none"> Specification of the grid system used. 	<ul style="list-style-type: none"> Universal Transverse Mercator, SAD69 Zone 22 South.
	<ul style="list-style-type: none"> Quality and adequacy of topographic control. 	<ul style="list-style-type: none"> Regional Topographic control (1m contours) and Digital Terrain Models are used.
Data spacing and distribution	<ul style="list-style-type: none"> Data spacing for reporting of Exploration Results. 	<ul style="list-style-type: none"> The current drill spacing at Pedra Branca is nominally 50m by 50m. The drill holes completed in the current programme discussed in this report are select 25m x 25m drill spacing in a select area to improve confidence in the geological

Criteria	JORC Code explanation	Commentary
	<ul style="list-style-type: none"> 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. Whether sample compositing has been applied. 	<p>and structural interpretation.</p> <ul style="list-style-type: none"> 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. 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	<ul style="list-style-type: none"> Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type. 	<ul style="list-style-type: none"> 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.
	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> The company does not believe that any sample bias has been introduced.
Sample security	<ul style="list-style-type: none"> The measures taken to ensure sample security. 	<ul style="list-style-type: none"> "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	<ul style="list-style-type: none"> The results of any audits or reviews of sampling techniques and data. 	<ul style="list-style-type: none"> CSA Global Pty Ltd (CSA Global) completed 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 Global from Avanco's CP.

TABLE 1 – Section 2: Exploration Results

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> 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 programme. Existing third party Royalties amount to 3% NSR on Cu and 25% NSR on Au. State royalties amount to 2% NSR on Cu and 1% NSR on Au. Unless negotiated otherwise with the owner, the surface rights owner (farmer) receives a royalty equal to 50% of the State royalty.
	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> All tenements are granted exploration licenses
Exploration done by other parties	<ul style="list-style-type: none"> Acknowledgment and appraisal of exploration by other parties. 	<ul style="list-style-type: none"> 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	<ul style="list-style-type: none"> Deposit type, geological setting and style of mineralisation. 	<ul style="list-style-type: none"> Iron Oxide Copper Gold (IOCG) breccia pipe, hosted predominantly by mafic metavolcanic and granitic rocks.
Drill hole Information	<ul style="list-style-type: none"> 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: <ol style="list-style-type: none"> easting and northing of the drill hole collar elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar dip and azimuth of the hole down hole length and interception depth hole length. 	<ul style="list-style-type: none"> 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 2015/2016". Information relating to Points "A" through to "E" inclusive, are all included in this table.
	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> 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 "Pedra Branca – Diamond Drilling Results 2015/2016" found within this report.
Data aggregation methods	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> Where results are reported, averaging of mineralised intervals are calculated by the following parameters <ol style="list-style-type: none"> Weighted averaging of grade/thickness A minimum Cut-off grade of 0.1% Cu A maximum of 3 continuous metres of internal dilution (<0.1% Cu) Top-Cuts of 20% Cu, 10g/t Au
	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> 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

Criteria	JORC Code explanation	Commentary
		2015/2016". Detailed examples are present in this report and the table above.
	<ul style="list-style-type: none"> <i>The assumptions used for any reporting of metal equivalent values should be clearly stated.</i> 	<ul style="list-style-type: none"> No assumptions are included in this report, because Metal Equivalents have not been used.
Relationship between mineralisation widths and intercept lengths	<ul style="list-style-type: none"> <i>If the geometry of the mineralisation with respect to the drill-hole angle is known, its nature should be reported.</i> 	<ul style="list-style-type: none"> 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.
	<ul style="list-style-type: none"> <i>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').</i> 	<ul style="list-style-type: none"> Where results are reported, True Depths and Widths have been calculated, and are shown tabulated in this report in the table "Pedra Branca – Diamond Drilling Results 2015/2016".
Diagrams	<ul style="list-style-type: none"> <i>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.</i> 	<ul style="list-style-type: none"> 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 2015/2016").
Balanced reporting	<ul style="list-style-type: none"> <i>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.</i> 	<ul style="list-style-type: none"> 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	<ul style="list-style-type: none"> <i>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.</i> 	<ul style="list-style-type: none"> 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	<ul style="list-style-type: none"> <i>The nature and scale of planned further work (e.g. tests for lateral extensions or depth extensions or large-scale step-out drilling).</i> 	<ul style="list-style-type: none"> 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.
	<ul style="list-style-type: none"> <i>Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.</i> 	<ul style="list-style-type: none"> The current drilling is in-fill in nature, within the existing JORC Reported Resource. A long section view showing the pierce points of the new drilling and their location within the area of lower geological/structural confidence is included within this report.