Rule 5.3

Appendix 5B

Mining exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/2001.

Name of entity

AVANCO RESOURCES LIMITED					
ABN	Quarter ended ("current quarter")				
85 126 379 646	30 June 2012				

Consolidated statement of cash flows

			Current quarter	Year to date
Cash f	lows related to operating ac	etivities	\$A'000	(12 months) \$A'000
1.1	Receipts from product sale	s and related debtors		_
1.1	receipts from product sure	s una related destors		
1.2	Payments for (a) ex	ploration and		
	ev	aluation	(1,679)	(9,868)
		evelopment	=	-
	(c) pr	oduction	=	-
		dministration	(281)	(1,378)
1.3	Dividends received		=	-
1.4	Interest and other items	of a similar nature	169	887
	received			
1.5	Interest and other costs of f	inance paid	-	-
1.6	Income taxes paid		-	-
1.7	Other – receipt from option	agreement	-	557
	Net Operating Cash Flow	S	(1,791)	(9,802)
	Cl (1	-4		
1.0	Cash flows related to inve	_		
1.8	Payment for purchases of:	(a)prospects	-	-
		(b) equity investments	- (4)	(70)
1.0	Dun do fue	(c) other fixed assets	(4)	(78)
1.9	Proceeds from sale of:	(a)prospects	-	-
		(b) equity investments	-	-
1.10	Loans to other entities	(c)other fixed assets	-	-
1.10	Loans to other entities Loans repaid by other entit	ion	-	-
1.11	Other (provide details if ma		-	_
1.12	Tenement Expenditure Gua		_	_
	Tenement Expenditure Out	tranice (refundable)	<u> </u>	-
	Net investing cash flows		(4)	(78)
1.13	Total operating and invest	ing cash flows (carried		
	forward)	-	(1,795)	(9,880)

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⁺ See chapter 19 for defined terms.

1.13	Total operating and investing cash flows	(1.705)	(0.000)
	(brought forward)	(1,795)	(9,880)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	1,701	2,370
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Other (provide details if material)		
	Fundraising refund / (costs)	(23)	(23)
	Net financing cash flows	1 670	2 247
		1,678	2,347
	Net increase (decrease) in cash held	(117)	(7,533)
1.20	Cash at beginning of quarter/year to date	12,200	19,616
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	Cash at end of quarter	12,083	12,083

Payments to directors of the entity and associates of the directors Payments to related entities of the entity and associates of the related entities

		Current quarter \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	\$272k
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

Payments for Directors consulting fees and Directors fees - \$214k
Payments for serviced office - \$45k
Payments for administration and accounting and accounting the first continuous and accounting the first cont

Re-imbursement for administration, accounting and secretarial staff at cost - \$13k

Non-cash financing and investing activities

2.1	Details of financing and investing transactions which have had a material effect on consolidated
	assets and liabilities but did not involve cash flows

-	Acquisition	of Pedra	Branca	Copper	Project	from	Xstrata	Copper	through	the	issue	of
	167,099,095	fully paid	l ordinar	y shares.								

2.2	betails of outlays made by other entities to establish or increase their share in projects in which the
	eporting entity has an interest

reporting entity has an interest		
Nil		

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⁺ See chapter 19 for defined terms.

Financing facilities available *Add notes as necessary for an understanding of the position.*

		Amount available \$A'000	Amount used \$A'000
3.1	Loan facilities	-	-
3.2	Credit standby arrangements	-	-

Estimated cash outflows for next quarter

4.1	Exploration and evaluation	\$A'000 1,700
4.2	Development	-
4.3	Production	-
4.4	Administration	300
	Total	2,000

Reconciliation of cash

show	nciliation of cash at the end of the quarter (as in the consolidated statement of cash flows) to lated items in the accounts is as follows.	Current quarter \$A'000	Previous quarter \$A'000
5.1	Cash on hand and at bank	2,053	2,200
5.2	Deposits at call	10,030	10,000
5.3	Bank overdraft	-	-
5.4	Other (provide details)	<u>-</u>	-
	Total: cash at end of quarter (item 1.22)	12,083	12,200

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⁺ See chapter 19 for defined terms.

Changes in interests in mining tenements

- 6.1 Interests in mining tenements relinquished, reduced or lapsed
- 6.2 Interests in mining tenements acquired or increased

Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
-	-	-	-
Pedra Branca Project	Direct	-	100%

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⁺ See chapter 19 for defined terms.

Issued and quoted securities at end of current quarterDescription includes rate of interest and any redemption or conversion rights together with prices and dates.

		Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1	Preference			/ \ /	,
	+securities				
	(description)				
7.2	Changes during				
	quarter				
	(a) Increases				
	through issues				
	(b) Decreases				
	through returns of				
	capital, buy-backs,				
	redemptions				
7.3	⁺ Ordinary	1,113,993,968	1,113,993,968		
	securities				
7.4	Changes during				
	quarter				
	(a) Increases				
	through issues	114 425 060	114 425 060	Φ0.01 <i>π</i>	Φ0.01 <i>5</i>
	- Option conversion	114,425,869	114,425,869	\$0.015	\$0.015
	- Acquisition of	167,099,095	167,099,095	N/A	N/A
	Pedra Branca	101,055,050	107,055,050	1,711	1,711
	(b) Decreases				
	through returns of				
	capital, buy-backs				
7.5	+Convertible debt				
	securities				
	(description)				
7.6	Changes during				
	quarter				
	(a) Increases				
	through issues				
	(b) Decreases				
	through securities				
7.7	matured, converted			Evanais a maio a	Evnim Jata
1.1	Options - Shareholder	1,500,000		Exercise price \$0.20	Expiry date 30/04/13
	- Shareholder	545,000	-	\$0.20 \$0.35	12/05/13
		10,000,000	_	\$0.35 \$0.15	14/12/13
		10,000,000	_	φυ.13	14/12/13
	- Employee	25,000,000	-	\$0.18	30/09/13
		5,000,000	-	\$0.18	10/01/14
		1,000,000	-	\$0.18	04/02/14
		8,360,000	-	\$0.15	27/06/14
		5,000,000	-	\$0.18	31/12/14
		5,000,000	-	\$0.15	31/12/14

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⁺ See chapter 19 for defined terms.

7.8	Issued during quarter			Exercise price	Expiry date
	Employee	5,000,000	-	\$0.15	31/12/14
7.9	Exercised during quarter	(114,425,869)	(114,425,869)	\$0.015	30/04/12
7.10	Expired during quarter	(2,485,074)	(2,485,074)	\$0.015	30/04/12
7.11	Debentures (totals only)				
7.12	Unsecured notes (totals only)				

Compliance statement

- This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 4).
- 2 This statement does give a true and fair view of the matters disclosed.

Sign here:	David McEntaggart	Date: 31 July 2012
	(Company Secretary)	

Notes

- The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- The definitions in, and provisions of, AASB 1022: Accounting for Extractive Industries and AASB 1026: Statement of Cash Flows apply to this report.
- Accounting Standards ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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