

# JUNE 2015 QUARTERLY ACTIVITIES REPORT

## HIGHLIGHTS

- **The Company secured an ~\$80 million financing package for the Antas Copper Mine comprising of:**
  - **\$63.6 million<sup>1</sup> financing comprising of a 15% Placement followed by an Entitlements Issue for a further \$19.94 million and \$43.68 million respectively at an issue price of \$0.08 per share**
  - **Financing was supported by BlackRock<sup>2</sup> and Appian<sup>3</sup>, with new investor Greenstone Resources<sup>4</sup> taking a cornerstone position**
  - **US\$4 million (first tranche) payment received from BlackRock, as per the Royalty Agreement<sup>5</sup>**
- **Board authorised the start of construction to benefit from approaching dry season**
- **Construction has started well , ~50% of build Capex committed within budget**
- **A LOI signed with mining services group for operation of the open pit**
- **At the neighbouring Pedra Branca<sup>6</sup> Project, 65% of Resources have been converted to Indicated Category. This resulted in the high grade JORC Resources increasing by 18% or ~70,000 tonnes of contained Copper**

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### Directors / Management:

Colin Jones  
Tony Polglase  
Simon Mottram  
Wayne Phillips  
Scott Funston  
Luis Azevedo  
Vernon Tidy  
Jailson Araujo  
João Goncalves  
Tim Wither  
Otávio Monteiro  
Antonio Madalosso

ASX Symbol: AVB

Pedra Branca EAST Mineral Resources July 2015. Reported above Cut-off Grade 0.9% Cu						
DEPOSIT	Category (%)	Million (Mt)	Cu (%)	Au (ppm)	Cu Metal (t)	Au Metal (Oz)
PB East	Indicated <b>70%</b>	7.96	2.81	0.63	224,000	160,000
	Inferred <b>30%</b>	3.43	2.70	0.61	92,000	67,000
<b>Total</b>		<b>11.39</b>	<b>2.78</b>	<b>0.62</b>	<b>316,000</b>	<b>227,000</b>
Pedra Branca WEST Mineral Resources July 2015. Reported above Cut-off Grade 0.9% Cu						
DEPOSIT	Category (%)	Million (Mt)	Cu (%)	Au (ppm)	Cu Metal (t)	Au Metal (Oz)
PB West	Indicated <b>62%</b>	4.46	2.04	0.61	91,000	87,000
	Inferred <b>38%</b>	2.74	1.72	0.56	47,000	49,000
<b>Total</b>		<b>7.19</b>	<b>1.92</b>	<b>0.59</b>	<b>138,000</b>	<b>136,000</b>
<b>Pedra Branca Total</b>		<b>18.58</b>	<b>2.45</b>	<b>0.61</b>	<b>454,000</b>	<b>363,000</b>

- **In preparation for operational readiness the Board and management team have been strengthened with the appointment of: an independent Director, the Antas Mine Manager and the Chief Financial Officer-Brazil**
- **The Company is in the fortunate position of being debt free and financially strong. Funds on hand are expected to be adequate to see Antas into production and advance Pedra Branca studies in parallel**



## ~\$80 Million FINANCING

The Company has completed \$63.6 million equity financing through a \$19.94 million placement and a \$43.68 million entitlements issue at \$0.08 per share.

The placement and entitlement issue was strongly supported by cornerstone shareholders BlackRock<sup>2</sup>, Appian<sup>3</sup> and new substantial shareholder Greenstone<sup>4</sup>, who were the largest contributor, becoming a 17% shareholder. Additionally, the cornerstone shareholders took-up large positions in the entitlement shortfall.

As announced through substantial shareholder notices, Greenstone, BlackRock, Appian and Glencore hold approximately 56% of the Issued Capital in Avanco.

The completion of the equity financing satisfied all conditions precedent associated with the US\$12m BlackRock Royalty Agreement. This triggered the first payment of US\$4 million, in July, with the balance payable in two further tranches pro-rata with construction expenditure.

## ANTAS COPPER MINE - CONSTRUCTION

The decision to start construction was dictated by the approaching dry season. The timely commencement maximises the benefits of having the greater part of construction occurring within a six month window of low rainfall. Cognisant of this, and with financing progressing well, the Board ordered the earthworks contractor to mobilise and work began on site in May. Building has since progressed well with activities accelerating. Two hundred people are currently actively working on site and this number will increase in the coming weeks.

Construction is scheduled over nine months with the target of commissioning before the end of February 2016. Following commissioning a minimum four to six week period is envisaged to achieve continuous operations.

Budget estimates put the cost of Construction and Working Capital at ~US\$60 million

<b>ANTAS DEVELOPMENT BUDGET</b> FX-US\$@3.0BRL & US\$@1.3AU\$)	<b>US\$ Millions</b>
<b>Plant Construction</b>	<b>25.0</b>
<b>Mine Infrastructure</b>	<b>7.4</b>
<b>Open Pit Mine</b>	<b>5.0</b>
<b>Construction TMF</b>	<b>3.4</b>
<b>Engineering/Owners Costs</b>	<b>5.0</b>
<b>Contingency</b>	<b>7.0</b>
<b>Working Capital</b>	<b>7.0</b>
<b>TOTAL</b>	<b>~60.0</b>

*The table above is a "best estimate" and is subject to change as the project advances*

## **Flotation Beneficiation Plant**

Construction started well and has continued to make good progress. The project is on schedule to date, with 50% of the capital already committed and within budget. One of the critical path activities relates to mobilisation of the Mechanical-Electrical installation contractor and this is scheduled for early August. Also critical is a timely start to the filtration section. Both the dewatering building and filter installation has been awarded to the Original Equipment Manufacturer, Metso, under a Lump Sum Turn Key contract. Metso are expected to mobilise next month.



**View of the Antas Plant Area**



**Substantial Footings Formwork – Flotation Area**

Earthmoving around the plant area accelerated during the quarter with only the Crushing Plant retention wall remaining to be completed. To date approximately 50,000 m<sup>3</sup> of compacted fill has been placed.

Concurrent with earthworks, the civil contractor has installed piles and prepared excavations ready for the mill, flotation, thickener and filter foundation. Setting of form work, fixing of re-bar (part of the reinforced concrete manufacturing procedure) and pouring of concrete footings has commenced.



**Pouring of Concrete**

**Tailings Management Facility (TMF)**



**View along centerline of the embankment**

De-grubbing and clearing of the TMF impoundment area is well advanced. Following the installation of a coffer dam, excavation of the embankment basal centerline is underway.

**Infrastructure**



**The access road/bridge upgrading is on-going in preparation for the increasing use of heavy construction traffic – see above**



**Installation of permanent facilities including offices, refectory and first aid post etc are on schedule - refer above**



**100 pylons have been installed in readiness for suspending the 34.5 kV transmission line**

## ANTAS MINING

### Mine Design

The pit design has been further optimised, following a review of the mining fleet configuration. The nominated haulage fleet comprises six-wheel drive articulated trucks capable of negotiating steeper ramps. This allows a reduction in stripping ratio from 7.6 to 7.1 with slight improvement in ore tonnes.

#### Original Pit Optimisation

CATEGORY	kbcms	kt	Cu (%)	Au (g/t)
Waste (< 0.65% Cu)	10,533	27,606		
Ore (>= 0.65% Cu)	1,186	3,625	2.53	0.55
Strip Ratio (t:t)		7.6		
<b>TOTAL</b>	<b>11,720</b>	<b>31,231</b>		

#### New Pit Optimisation

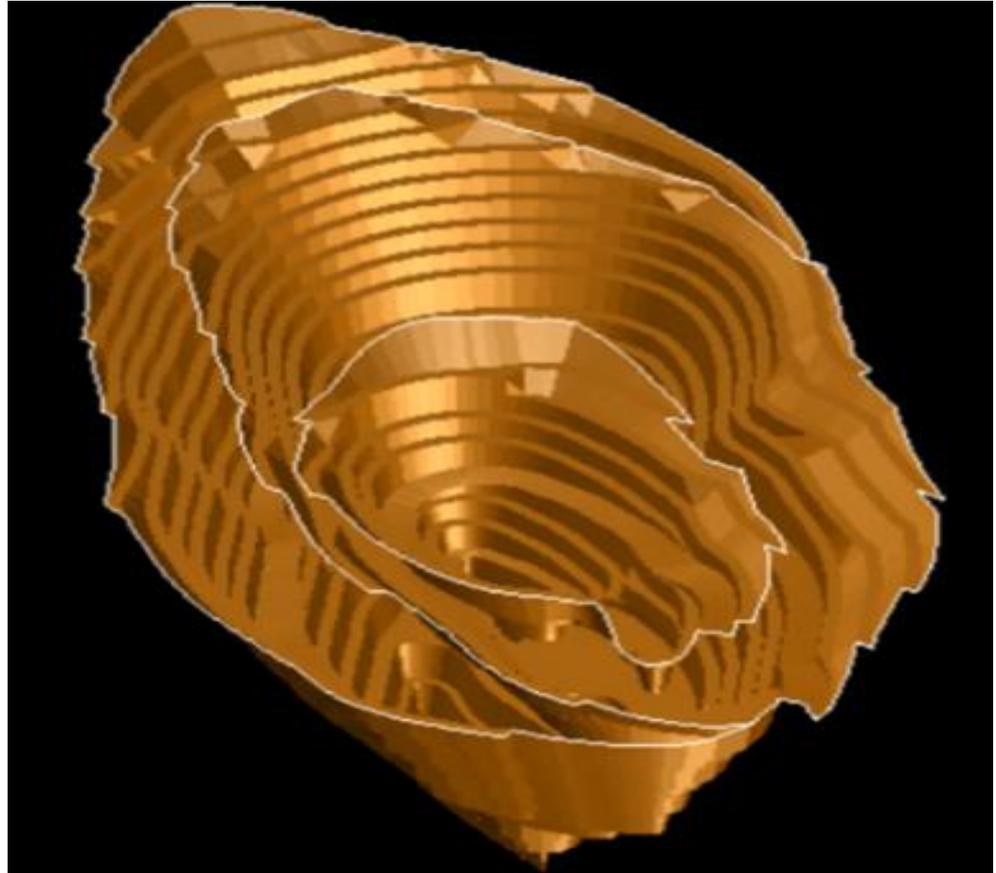
CATEGORY	kbcms	kt	Cu (%)	Au (g/t)
Waste (< 0.65% Cu)	9,936	26,019		
Ore (>= 0.65% Cu)	1,193	3,647	2.53	0.55
Strip Ratio (t:t)		7.1		
<b>TOTAL</b>	<b>11,129</b>	<b>29,666</b>		

Pit sequencing was also reviewed with a reduced number of pit stages allowing the smoothing of ore delivery whilst removing potential challenges associated with cut backs.

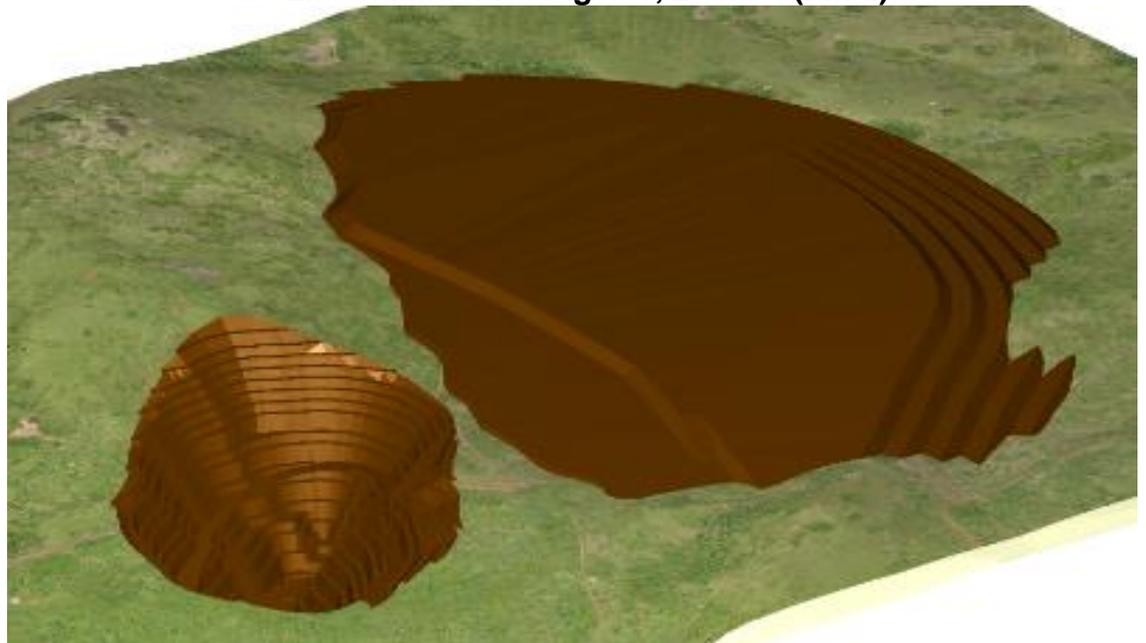
The rock dump landform has been modified to eliminate pooling of water in proximity to the final pit crest.

With the above changes to the pit design and sequencing, a re-optimisation of the mining and milling schedule was undertaken with the objectives of:

- Smoothing of Material Movement over the Life of Mine;
- Achieving mill throughput of ~500,000tpa;
- Producing 12,000t of Copper metal per year;
- Ensuring sufficient high grade ore is always on hand to compensate for stoppages in the mine attributed to weather or operational delays;
- Reduction of Low/Medium grade stockpiles; and
- Timely start to pre-production mining to deliver low grade ore for plant commissioning



**Life of Mine Pit Stages 1, 2 and 3 (Final)**



**Revised Rock Dump Profile**

### **Mining Operations**

Following a rigorous tendering process and final recommendation from highly respected Brazilian and international consultants, a Letter Of Intent has been provided to the mining services group, MACA Limited. This group was the only company deemed to have Brazilian experience coupled with the drill and blast expertise required at Antas.

The Principal activities provided under contract include Drill & Blast, Ore/Waste excavation and haulage to the flotation plant/rock dump. MACA personnel are already on site with de-grubbing and clearing scheduled to commence next month.

MACA expect equipment deliveries through September including, a Liebherr R910 Excavator, <7 x Volvo AF40 Haul Trucks and 2 x CAT 5150 Drill Rigs. In the interim site works over the pit, rock dump and haul roads will proceed under MACA's direction using local contractors.



**Volvo Articulated Haul Truck**

The Grade Control Study drilling is progressing well in the Antas Stage 1 Pit. This study will determine parameters for Production Grade Control drilling/sampling going forward. Results to date clearly confirm the high grade mineralisation ~15m vertically below surface as predicted in the Proven/Probable Reserves model.



**Grade Control Drilling in Progress**



**Ore Zone (semi massive to massive) – Interval of 22,00 to 30,00 meters**

Logged samples from Grade Control hole ANG-25

**True Depth to High Grade Ore Zone ~15m from surface**

### **HEALTH SAFETY AND ENVIRONMENT – CONSTRUCTION**

No Lost Time Injuries, Medical Treatment Incidents or Environmental events occurred during the quarter. Scheduled safety inspections were completed. Waste disposal/treatment procedures were implemented. Protocols for safe: excavations, lifting and working at heights were reviewed/implemented.



**The Antas Copper Mine Ambulance**

## CONCENTRATE SALES

Antas is scheduled to produce ~45,000tpa of copper concentrates containing low levels of deleterious elements. A number of firm offers have been received which indicate the Company should expect commercially attractive terms inclusive of, discounts on Treatment and -Refining Costs and a high percentage of payable value on delivery Free On Board Brazil. The terms for “clean” material are envisaged to likely improve as forecast shortages of clean concentrates (essential for blending) weigh on market sentiment. The Company has engaged the services an experienced sales and marketing consultant to assist management in negotiations with prospective off-take groups which will continue throughout Quarter 3 and Quarter 4.

## CONSTRUCTION & OPERATIONAL APPOINTMENTS

To reinforce construction supervision reporting and in pursuing operational readiness for Antas a number of management hires have been made since the end of the quarter. These appointments complete the formation of Avanco’s front line management team and include: Mining Manager, Plant Manager, Construction Manager, Chief Financial Officer – Brazil, Financial Controller – Australia and Construction Cost Controller – Brazil. The full profiles of these individuals were announced on 20 and 28 July 2015.

## STAGE 2 – PEDRA BRANCA

Pedra Branca is the Company’s second and much larger copper project located 50km southwest of Antas North (Stage 1). An infill drilling programme of eleven holes, for 4,192m of diamond drilling has recently been completed.

Results of infill resource drilling at Pedra Branca exceeded management’s target of converting >50% of Resources to the Indicated Category. Increasing the high grade JORC Resources by 18% (~70,000 tonnes of contained Copper), and further defining a resource upside along strike at Pedra Branca East.

Observed Grade and widths have been consistent with previous wider spaced drilling results at Pedra Branca West. While Pedra Branca East results confirmed or improved on previous mineralised widths in the centre of the orebody. This resulted in a significant increase in tonnes and demonstrates a continuation of the orebody along strike towards the east.

Increases in resources is principally from the higher grade, Pedra Branca East deposit (+32% increase in tonnes with no change in grade, resulting in a 32% increase in contained Copper). Pedra Branca West, has shown a marginal drop in tonnes (-11%), but importantly there is a 8% uplift in grade.

The comparison table below shows uplift from the previously reported June 2103 JORC Resource at Pedra Branca.



**APBD-15-39**  
High grade Cu mineralisation



**APBD-15-41**  
High grade Cu mineralisation



**APBD-15-45**  
First Cu Massive Sulphide seen at Pedra Branca

### Comparison of Results to Previous JORC Reported Resource

Deposit	PB EAST Mineral Resources July 2015			PB EAST Mineral Resources June 2013			Comparison		
	Tonnes (Mt)	Grade (Cu %)	Cu Metal (Kt)	Tonnes (Mt)	Grade (Cu %)	Cu Metal (Kt)	Tonnes	Grade (Cu %)	Cu Metal (t)
<b>PB East</b>	11.39	2.78	<b>316</b>	8.63	2.78	<b>240</b>	+32%	0%	+32%
<b>PB West</b>	7.19	1.92	<b>138</b>	8.12	1.77	<b>144</b>	-11%	+8%	-4%
<b>TOTAL</b>	<b>18.58</b>	<b>2.45</b>	<b>454</b>	<b>16.75</b>	<b>2.29</b>	<b>384</b>	<b>+11%</b>	<b>+7%</b>	<b>+18%</b>

Cognisant of mining economics, the recent resource upgrade has been prepared using a 0.9% Copper Resource cut-off, clearly illustrating the high grade nature of Pedra Branca. Management considers a 0.9% Cu cut-off grade to be appropriate. This cut-off also reflects the economics associated with the probable selection of underground mining as the principal method of mining at Pedra Branca.

Much larger than Antas (currently under construction), Pedra Branca contains three times more contained Copper metal, and at a more favourable average resource grade of 2.45% Copper and 0.61g/t Gold, when reporting at the same 0.9% Copper cut-off grade.

A Scoping Study will lead to a “Decision to Mine”<sup>17</sup> before the 2015 year end, with the Pre-Feasibility Study (PFS) expected to be finished in the first quarter of 2016.

In determining mining methods, the PFS will produce estimates of mineable tonnes and grade (JORC Reported Reserves), define CAPEX and OPEX and provide other valuable information.

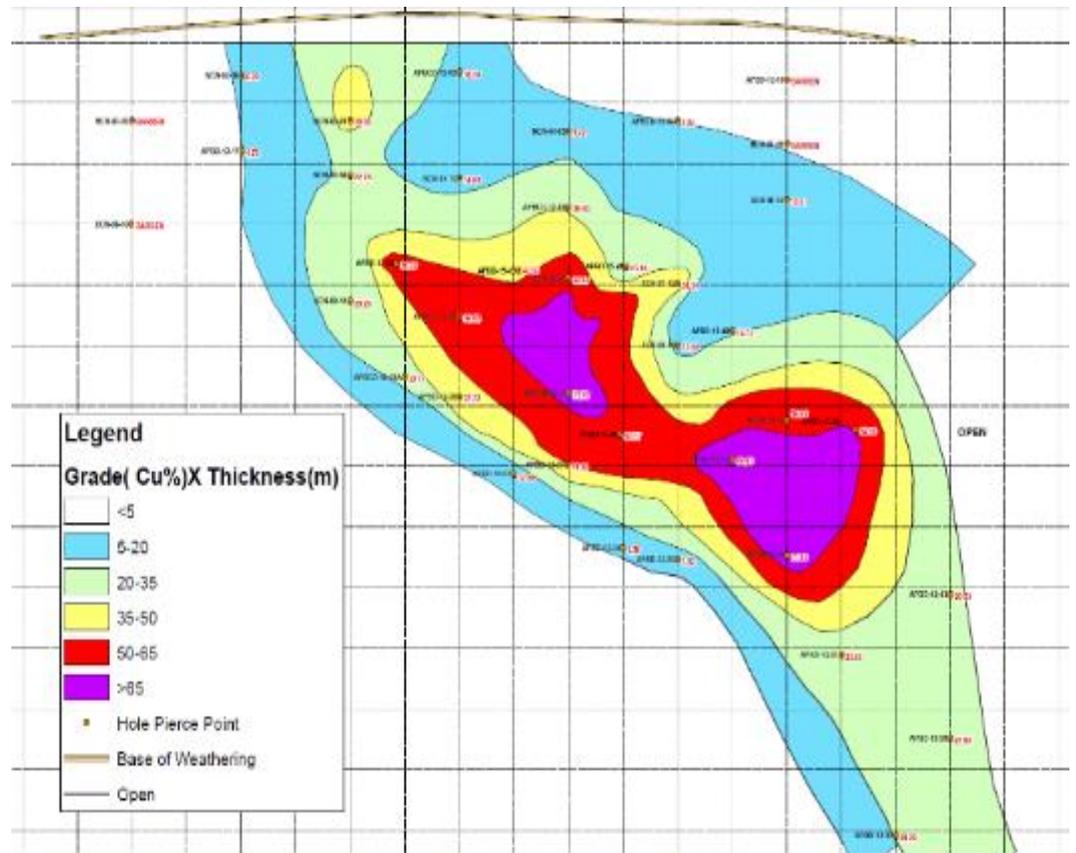
Geotechnical drilling is now complete, with study work underway.

The PFS will benefit from robust information gleaned from the proximal Antas Project.

Additionally results from APBD-15-39 (the eastern edge of Pedra Branca East) illustrates that the orebody and its high grade core (18.80m<sup>7</sup> at 2.89% Cu, 0.89g/t Gold from 453.00m<sup>7</sup>) is open along strike, highlighting the potential for further resource growth and strongly justifying additional drilling.

Best results from the infill drilling programme at Pedra Branca included:

- **40.00m<sup>7</sup> at 1.60% Cu, 0.26g/t Au from 436.00m<sup>7</sup>** **APBD-15-39**  
**Inc. 18.80m<sup>7</sup> at 2.89% Cu, 0.89g/t Gold from 437.60m<sup>7</sup>**
- **47.85m<sup>7</sup> at 1.27% Cu, 0.36g/t Au from 418.15m<sup>7</sup>** **APBD-15-42**
- **27.00m<sup>7</sup> at 1.63% Cu, 0.37g/t Au from 261.00m<sup>7</sup>** **APBD-15-43**  
**Inc. 12.65m<sup>8</sup> at 2.39% Cu, 0.55g/t Gold from 261.00m<sup>7</sup>**
- **40.85m<sup>7</sup> at 1.38% Cu, 0.70g/t Au from 274.95m<sup>7</sup>** **APBD-15-44**  
**Inc. 13.05m<sup>7</sup> at 3.14% Cu, 1.63g/t Gold from 274.95m<sup>7</sup>**



## REGIONAL EXPLORATION

Several high value exploration licenses within the vicinity of Pedra Branca have been granted by the DNPM<sup>8</sup>. Exploration personnel have been mobilised to the field advancing these targets using Avanco's powered auger drill rigs

An option agreement has also been recently executed, through which Avanco will evaluate a number of areas with "rights" to select for acquisition and further investigation via an earn-in structure. The agreement allows the Company to increase its land position within prospective licenses situated along preferred geological trends in the Carajas.

Following the recently defined high grade upside along strike at Pedra Branca East, a step-out drilling programme has been planned and re-scheduled to commence after the completion of the Stage 2 studies.

Management have been examining several new opportunities with a small number worthy of closer evaluation. Avanco is currently pursuing an option over a potentially interesting Base-Precious metals project outside of Para State. Limited scout drilling is underway with observations to date not conclusive.



**View along the strike of Pedra Branca East**

## **CORPORATE**

Management have been working towards bringing Antas into production since its discovery in 2012. Completion of the \$64 million equity raising coupled with the BlackRock Royalty monies allows the expectation that Antas is fully funded into production.

The Board take this opportunity to thank all shareholders who participated in the entitlement issue and welcomes a new cornerstone investor Greenstone Resources who took the lead in the Placement.

The Company recognises the unprecedented support from BlackRock, Appian and Greenstone who took up their entitlement and participated in the shortfall to ensuring the Company was fully funded.

Institutional groups now make up 56% of issued capital of the Company.

<b>MAJOR SHAREHOLDER</b>	<b>~%</b>
<b>Glencore</b>	<b>8.00</b>
<b>Blackrock World Mining Fund</b>	<b>14.0</b>
<b>Appian Natural Resources Fund</b>	<b>17.0</b>
<b>Greenstone Resources</b>	<b>17.0</b>

The Board believes the equity financing structure for Antas puts the Company in a good position in these times of commodity volatility, where being unhedged, debt and covenant

free, provides greater asset security and assurance to shareholders as the Company makes the transition from explorer to producer.

The greater part of the Company's funds have been converted into US\$'s protecting funds from the weakening Australian dollar. The US dollar has strengthened significantly against the Brazilian Real, creating an opportunity for savings as almost all of the Antas construction costs are denominated in local currency, although management are cognisant that some benefit will be eroded by the impact of Inflationary pressures.

Management aim to commence commissioning of some areas before end of 2015 and as a whole operating unit during February with ramp-up to full production thereafter. To incentivise the Board and management for the critical period ahead, the Company obtained shareholder approval for a performance rights plan. This will allow the Company to align management's interests with those of the Company's shareholders.

In recognising the need to advance corporate governance the Company welcomed Mr Vern Tidy to the Board as a Non-Executive and Independent Director. Mr Tidy brings compelling skills to the Company, encompassing corporate governance and critical review of financial compliance gained from servicing mining clients varying from the largest multinationals through to junior explorers. Mr Tidy is a fellow of the Institute of Chartered Accountants in Australia and a member of the Australian Institute of Company Directors.

Funds on hand (\$68.4m) are believed to be adequate to see Antas into production and advance Pedra Branca in parallel.

Tony Polglase  
Managing Director

## ABOUT AVANCO

- Avanco (ASX-AVB) is an emerging mid-tier copper company situated in the mining friendly world class Carajas Mineral Province, Brazil
- Avanco either owns, or holds the rights to 100% of the second largest area of mineral tenure in the World Class Carajas region (behind Vale SA)
- The Company is ultimately well positioned to potentially operate a number of high grade, low cost copper/gold mines in the region which will establish Avanco as a profitable long life producer throughout a period of expected increasing copper pricing
- The Antas Copper Mine (also known as Stage 1) is Avanco's first mine development. Antas hosts JORC Reported Ore Reserves (Proved + Probable) of: 2.649 million tonnes at 3.19% copper and 0.66gpt Gold for 84,518 tonnes of contained copper and 56,277 ounces of Gold at a 0.9% Cu cut-off
- Management have been successful in obtaining funding for Antas via an equity capital raising putting Avanco in a strong financial position whereby management believes it is fully funded into production whilst remaining debt and covenant free
- Construction of Antas is well advanced and expected to produce around 12,000tpa of copper in concentrates from 2016
- Antas will produce very desirable clean copper concentrates, the Company retains ownership to the rights for its production off-take
- Pedra Branca, known as Stage 2 is located in the same district as Stage 1. This represents the Company's next project, is also a high grade copper deposit and is considerably larger. . Pedra Branca hosts JORC Reported Ore Resources (Indicated + Inferred) of: 18.58 million tonnes at 2.45% copper and 0.61gpt Gold for 454,000 tonnes of contained copper and 363,000 ounces of Gold at a 0.9% Cu cut-off. Drilling aimed at increasing resources is being planned
- Management are targeting "a decision to mine" at Pedra Branca by December and a Pre-feasibility Study during Q1 2016
- The Company has well supported by major institutional shareholders: Glencore, Blackrock World Mining Trust, Appian Natural Resources Fund and Greenstone Resources
- Avanco is managed by a highly experienced international and Brazilian mining professionals, most of whom are Portuguese speaking and reside in Brazil
- Whilst near term priorities are focussed on transition to copper producer status and resource growth, Brazil offers significant opportunities to enhance shareholder value over time

CARAJAS - TOTAL JORC Reported Mineral Resources <sup>9,10,11,12</sup>							
DEPOSIT	Category	Million Tonnes	Cu (%)	Au (ppm)	Copper Metal (T)	Gold Metal (Oz)	
PB East <sup>13</sup>	Indicated	7.96	2.81	0.63	224,000	160,000	
	Inferred	3.43	2.70	0.61	92,000	67,000	
	<b>Total</b>	<b>11.39</b>	<b>2.78</b>	<b>0.62</b>	<b>316,000</b>	<b>227,000</b>	
PB West <sup>13</sup>	Indicated	4.46	2.04	0.61	91,000	87,000	
	Inferred	2.74	1.72	0.56	47,000	49,000	
	<b>Total</b>	<b>7.19</b>	<b>1.92</b>	<b>0.59</b>	<b>138,000</b>	<b>136,000</b>	
<b>PEDRA BRANCA</b>	<b>Total</b>	<b>18.58</b>	<b>2.45</b>	<b>0.61</b>	<b>454,000</b>	<b>363,000</b>	
ANTAS NORTH <sup>13</sup>	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	
	<b>Total</b>	<b>6.38</b>	<b>2.38</b>	<b>0.50</b>	<b>152,000</b>	<b>102,000</b>	
ANTAS SOUTH <sup>14</sup>	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	
	<b>Total</b>	<b>10.08</b>	<b>0.83</b>	<b>0.2</b>	<b>85,000</b>	<b>65,000</b>	
<b>TOTAL</b>		<b>35.04</b>	<b>1.97</b>	<b>0.47</b>	<b>691,000</b>	<b>530,000</b>	
ANTAS NORTH – JORC Reported Ore Reserves <sup>15,16</sup>							
Classification	Type	Economic Cut-Off Cu%	Tonnes (Mt)	Copper (%)	Gold (g/t)	Copper Metal (T)	Gold (Oz)
<b>Proved</b>	<b>ROM Ore</b>	<b>0.90</b>	1.385	3.62	0.74	50,137	33,046
<b>Probable</b>	<b>ROM Ore</b>	<b>0.90</b>	1.264	2.72	0.57	34,381	23,231
<b>PROVEN + PROBABLE ROM ORE</b>			<b>2.649</b>	<b>3.19</b>	<b>0.66</b>	<b>84,518</b>	<b>56,277</b>
<b>Proved</b>	<b>Low Grade</b>	<b>0.65</b>	0.342	0.74	0.30	2,531	3,308
<b>Probable</b>	<b>Low Grade</b>	<b>0.65</b>	0.635	0.72	0.23	4,572	4,709
<b>TOTAL PROVEN + PROBABLE</b>			<b>3.63</b>	<b>2.53</b>	<b>0.55</b>	<b>91,621</b>	<b>64,294</b>

### 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. Excluding the BlackRock Royalty Transaction<sup>5</sup>
2. A Fund belonging to BlackRock World Mining Trust plc
3. Appian Natural Resources Fund
4. Greenstone Resources LP
5. See ASX announcement "US\$12,000,000 Agreement reached with BlackRock World Mining Trust plc", 8 October 2013 and ASX announcement "July 2014 Quarterly Activities Report", 31 July 2014. Note - the \$15.6m or US\$12m is before costs. The July 2014 royalty transaction entered into by the Company and BlackRock World Mining Trust plc
6. The orebody is defined as an Iron Oxide Copper Gold (IOCG) deposit, typical of that found in the Carajas Province of Brazil, and well documented in respected geological texts
7. Downhole widths/depths. For full results and true widths/depths see "Pedra Branca Resource Upgrade Delivers Substantial Increase in Both Contained Copper and Confidence", 13 July 2015
8. National Department of Mineral Production
9. 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
10. 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
11. 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

12. 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
13. Grade Tonnage Reported above a Cut-off Grade of 0.9% Copper
14. Grade Tonnage Reported above a Cut-off Grade of 0.3% Cu for Oxide Resources
15. 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
16. Measured and Indicated Resources are inclusive of those Mineral Resources modified to produce the Ore Reserves
17. Note – the “decision to mine” relates an expectation that management will be sufficiently confident to continue, to commit expenditures on Stage 2. This may be inclusive of commencing limited site works at Pedra Branca with the aim of minimising lead-time into production. This strategy will put Stage 2 in a better situation to capitalise on an improving copper price that the Company envisages from 2016 onward. The aforementioned is all in anticipation of a positive outcome from the Pre-feasibility study

## Appendix 1 – Interests in Mining Tenements Held

Project	Property Name	Tenure Title Holder	Interest %	AREA (ha)	DNPM <sup>s</sup> No of Area	Status of Tenure
<b>STAGE 1</b>	RIO VERDE	AVB	100	7,290.69	PL 470	Mining Concession
	SERRA VERDE	AVB	100	2,391	850.622/2007	#
	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	***
<b>STAGE 2</b>	PEDRA BRANCA	VDM	100	3,195	850.318/2000	Final Report Approved
	PEDRA BRANCA	VDM**	100	722	850.218/2000	Granted to 2015
	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	***
	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	AVB	#	5,000	851.674/2011	#
	PEDRA BRANCA	VDM	#	7,770	850.780/2012	#
PEDRA BRANCA	EST	#	1,904	851.037/2013	#	
PEDRA BRANCA	VDM	#	7,770	851.195/2012	#	
<b>Terrativa Carajas Option</b>	CARAJAS REGIONAL	TM	@	4,953	850.193/2012	Granted to 2015@
	CARAJAS REGIONAL	TM	@	8,106	850.727/2012	Granted to 2015@
	CARAJAS REGIONAL	TM	#@	12	851.240/2011	#@
	CARAJAS REGIONAL	TM	#@	426	850.538/2012	#@
	CARAJAS REGIONAL	TM	#@	34	850.538/2012	#@
	CARAJAS REGIONAL	TM	#@	2	850.538/2012	#@
	CARAJAS REGIONAL	TM	#@	27	850.473/2012	#@
	CARAJAS REGIONAL	TM	#@	27	850.473/2012	#@
	CARAJAS REGIONAL	TM	#@	11	850.473/2012	#@
	CARAJAS REGIONAL	TM	#@	14	850.398/2012	#@
	CARAJAS REGIONAL	TM	#@	1,967	850.600/2012	#@
	CARAJAS REGIONAL	TM	#@	2,606	850.130/2013	#@
	CARAJAS REGIONAL	TM	#@	13	850.531/2012	#@
	CARAJAS REGIONAL	TM	#@	8,309	850.913/2012	#@
	CARAJAS REGIONAL	TM	#@	984	851.040/2013	#@
	CARAJAS REGIONAL	TM	#@	959	851.158/2013	#@
	CARAJAS REGIONAL	TM	#@	937	851.159/2013	#@
	CARAJAS REGIONAL	TM	#@	977	851.157/2013	#@
	CARAJAS REGIONAL	TM	#@	3,312	850.239/2014	#@
	CARAJAS REGIONAL	TM	#@	182	850.570/2014	#@
	CARAJAS REGIONAL	TM	#@	5,040	850.238/2014	#@
	CARAJAS REGIONAL	TM	#@	4,934	850.571/2014	#@

Project	Property Name	Tenure Title Holder	Interest %	AREA (ha)	DNPM <sup>s</sup> No of Area	Status of Tenure
	CARAJAS REGIONAL	TM	#@	7,462	850569/2014	#@
	CARAJAS REGIONAL	TM	#@	5,409	851797/2013	#@
	CARAJAS REGIONAL	TM	#@	4,061	850071/2014	#@
	CARAJAS REGIONAL	TM	#@	52	851537/2013	#@
	CARAJAS REGIONAL	TM	#@	484	852007/2013	#@
	CARAJAS REGIONAL	TM	#@	663	851462/2013	#@
	CARAJAS REGIONAL	TM	#@	8,047	851514/2011	#@
	CARAJAS REGIONAL	TM	#@	9,729	850288/2014	#@
<b>Touro Nickel Project</b>	TRINDADE SOUTH	AVB	100	48	850.568/2011	^
	TRINDADE SOUTH	AVB	100	49	850.567/2011	Granted to 2015
	TRINDADE SOUTH	AVB	#	9,797	850.781/2013	#
	TRINDADE SOUTH	AVB	#	9,797	850.569/2011	###
<b>Regional Exploration</b>	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	7,753
Stage 2	528
Regional Exploration	-
<b>Total</b>	<b>8,281</b>