.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.

AVANCO RESOURCES LIMITED

Name of entity

ABN	Quarter ended ("current quarter")
85 126 379 646	31 December 2015

Consolidated statement of cash flows

Cash f	lows related to operating a	ctivities	Current quarter \$A'000	Year to date (12 months) \$A'000
1.1	Receipts from product sale	es and related debtors	-	-
1.2	Payments for (a) ex	xploration and		
	•	aluation	(832)	(2,993)
	(b de	velopment and		
		onstruction	(20,428)	(47,015)
		production	-	-
	* *	dministration	(886)	(2,566)
1.3	Dividends received	C '11	-	200
1.4	Interest and other item received	s of a similar nature	96	280
1.5	Interest and other costs of	finance paid	-	-
1.6	Income taxes paid		-	-
1.7	Other – registered office b	ond	-	-
	Net Operating Cash Flow	vs	(22.050)	(52,294)
	Cash flows related to inv	esting activities		
1.8	Payment for purchases of:		-	-
	•	(b)equity investments	-	-
		(c) other fixed assets	(8)	(821)
1.9	Proceeds from sale of:	(a)prospects	-	-
		(b)equity investments	-	-
		(c)other fixed assets	-	-
1.10	Loans to other entities	.•	-	-
1.11	Loans repaid by other enti		-	-
1.12	Other (provide details if m	iateriai)	<u>-</u>	<u>-</u>
	Net investing cash flows		(8)	(821)
1.13	Total operating and inves	ting cash flows (carried	(0)	(021)
1.13	forward)	ung cash nows (carned	(22,058)	(53,115)

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⁺ See chapter 19 for defined terms.

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1.13	Total operating and investing cash flows (brought forward)	(22,058)	(53,115)
	Tot water	(22,000)	(55,115)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	-	63,618
1.15	Proceeds from royalty agreements	5,715	11,194
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Other (provide details if material)		
	Fundraising refund / (costs)	-	(2,478)
	Net financing cash flows	5,715	72,334
	Net increase (decrease) in cash held	(16,343)	19,219
1.20	Cash at beginning of quarter/year to date	61,565	19,805
1.21	Exchange rate adjustments to item 1.20	(1,776)	4,422
1.22	Cash at end of quarter	43,446	43,446

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	\$623
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 Executive Directors consulting fees and Non-Executive Directors fees - \$554k Payments for legal fees and serviced office in Brazil - \$69k

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
	Nil

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

reporting entity has an interest		
Nil		

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

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

Estimated cash outflows for next quarter

4.1	Exploration and evaluation	\$A'000 750
4.2	Development and construction	15,000
4.3	Production	-
4.4	Administration	500
	Total	16,250

Reconciliation of cash

show	nciliation of cash at the end of the quarter (as n in the consolidated statement of cash flows) to elated items in the accounts is as follows.	Current quarter \$A'000	Previous quarter \$A'000
5.1	Cash on hand and at bank	6,169	4,703
5.1	Cush on hand and at bank	0,107	4,703
5.2	Deposits at call	8,299	4,096
5.3	Bank overdraft	-	-
5.4	Other – USD Bank Accounts	28,978	52,766
	Total: cash at end of quarter (item 1.22)	43,446	61,565

Changes in interests in mining tenements

6.1	Interests in mining
	tenements relinquished,
	reduced or lapsed

6.2	Interests in mining	
tenements acquired		
	increased	

Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
Nil			
Nil			

⁺ See chapter 19 for defined terms.

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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			, , ,	,
7.2	(description) Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3	+Ordinary securities	2,456,906,443	2,456,906,443		
7.4	Changes during quarter (a) Increases through issues (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 matured, converted				
7.7	Options - Unlisted	12,550,000 140,000,000		Exercise price \$0.15 \$0.10	Expiry date 31/12/16 30/06/18
7.8	Issued during quarter:				
7.9	Exercised during quarter				
7.10	Expired / cancelled during quarter: - Unlisted	75,000,000		Exercise price \$0.12	Expiry date 31/12/15
7.11	Debentures (totals only)				
7.12	Unsecured notes (totals only)				

⁺ See chapter 19 for defined terms.

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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:	Scott Funston	Date: 29 January 2016	
	(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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