Appendix 5B

.Rule 5.3

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

85 126 379 646

Quarter ended ("current quarter")

Year to date

(3 months) \$US'000

31 March 2016

Current quarter

\$US'000

Consolidated statement of cash flows

Cash flows related to operating activities

1.1	Receipts from product sale	es and related debtors		-
1.2	Payments for (a) ex	ploration and		
	ev	aluation	(530)	(530)
	(b de	velopment and		
		onstruction	(14,468)	(14,468)
		roduction	-	-
		dministration	(656)	(656)
1.3	Dividends received		-	-
1.4	Interest and other items received	s of a similar nature	97	97
1.5	Interest and other costs of	finance paid	-	-
1.6	Income taxes paid	F	-	-
1.7	Other – registered office b	ond	-	-
	C			
	Net Operating Cash Flow	VS	(15,557)	(15,557)
	Cash flows related to inv	esting activities		
1.8	Payment for purchases of:	(a)prospects	-	_
1.0	r uyment for purchases of	(b)equity investments	-	_
		(c) other fixed assets	-	_
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 entit	ties	-	-
1.12	Other (provide details if m			
			-	-
	Net investing cash flows		-	-
1.13	Total operating and invest	ting cash flows (carried		
	forward)		(15,557)	(15,557)

⁺ See chapter 19 for defined terms.

1.13	Total operating and investing cash flows (brought		
	forward)	(15,557)	(15,557)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	-	-
1.15	Proceeds from royalty agreements	4,000	4,000
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Other (provide details if material)		
	Fundraising refund / (costs)	-	-
	Net financing cash flows	4,000	4,000
	Net increase (decrease) in cash held	(11,557)	(11,557)
1.20	Cash at beginning of quarter/year to date	31,700	31,700
1.21	Exchange rate adjustments to item 1.20	179	179
1.22	Cash at end of quarter	20,322	20,322

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 \$US'000
1.23	Aggregate amount of payments to the parties included in item 1.2	\$426
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 - \$394k Payments for legal fees and serviced office in Brazil – \$32k

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

 Nil

⁺ See chapter 19 for defined terms.

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

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

Estimated cash outflows for next quarter

	Total	5,600
4.4	Administration	600
4.3	Production	-
4.2	Development and construction	4,500
4.1	Exploration and evaluation	500
		\$US'000

E.

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.		Current quarter \$US'000	Previous quarter \$US'000
5.1	Cash on hand and at bank	1,592	4,495
5.2	Deposits at call	2,997	6,057
5.3	Bank overdraft	-	-
5.4	Other – USD Bank Accounts	15,643	21,148
	Total: cash at end of quarter (item 1.22)	20,322	31,700

Changes in interests in mining tenements

		Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1	Interests in mining tenements relinquished, reduced or lapsed	Nil			
6.2	Interests in mining tenements acquired or increased	Nil			

⁺ See chapter 19 for defined terms.

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

				security (see note 3) (cents)	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	2,456,906,443	2,456,906,443		
1.5	securities	2,430,900,443	2,450,900,445		
7.4	Changes during				
<i>,.</i> ,	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			Exercise price	Expiry date
	- Unlisted			I I I I I I I I I I I I I I I I I I I	
		12,550,000		\$0.15	31/12/16
		140,000,000		\$0.10	30/06/18
7 0					
7.8	Issued during				
	quarter:				
7.9	Exercised during				
1.9	quarter				
	quarter				
7.10	Expired / cancelled			Exercise price	Expiry date
	during quarter:			Literense price	2.0.0 0.00
	- Unlisted				
7.11	Debentures				
	(totals only)				
7.12	Unsecured notes				
1.12	(totals only)				

⁺ See chapter 19 for defined terms.

Compliance statement

- 1 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 April 2016..... (Company Secretary)

Notes

- 1 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.
- 2 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.
- 4 The definitions in, and provisions of, *AASB 1022: Accounting for Extractive Industries* and *AASB 1026: Statement of Cash Flows* apply to this report.
- 5 **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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