



Avanco Resources (ASX:AVB)

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ASX ANNOUNCEMENT

29 June 2016

JUNE 2016 QUARTERLY ACTIVITIES REPORT

Avanco Resources Limited (“Avanco” or “Company”) is pleased to present its Quarterly Activities Report for the period ending 30 June 2016.

The Company’s focus during the quarter was the completion of commissioning for the Antas Copper Mine located in the world class Carajás Mineral Province of Para State in northern Brazil.

HIGHLIGHTS

| | June 16 Quarter | March 16 Quarter |
|--|--------------------|---------------------|
| Copper in concentrate produced (tonnes) | 3,246 | 602 |
| Gold in concentrate produced (ounces) | 2,343 | 351 |
| Copper in concentrate sold ('000lbs) | 6,426 | - |
| Gold in concentrate sold (ounces) | 1,951 | - |
| C1 Cash Cost (US\$/lb) | 1.03 | - |

- **Commercial production declared from the 1 July 2016 following exceptional commissioning and ramp-up performance**
- **Copper and gold production exceeds expectations**
- **Plant recoveries of approximately 94% for copper and 85% for gold**
- **11,146 tonnes of concentrate sold**
- **Provisional copper and gold sales of US\$16.20 million before costs**
- **C1 cash cost of US\$1.03/lb payable copper produced**
- **Over 1,187,000 man-hours without a lost time injury**
- **Higher confidence Mineral Resource at Pedra Branca East - 10.48mt at 2.8% copper and 0.7g/t gold***
- **Planning for the start of development works at Pedra Branca at an advanced stage**
- **Board strengthened with appointment of Luis Ferraz as Independent Non-Executive Director**
- **US\$21.042 million cash on hand and on deposit at quarter end (Q1 2016: US\$20.322 million)**

*Refer Total JORC Reported Resources on page 11

1. ANTAS OPERATION

| STATISTICS | Units | June Quarter 2016 | March Quarter 2016 | Year to date 2016 |
|--------------------------|-------|----------------------|-----------------------|----------------------|
| Mining | | | | |
| Total Material Mined | t | 1,633,066 | 1,538,295 | 3,171,361 |
| Ore Mined | t | 173,286 | 87,597 | 260,883 |
| Copper Grade | Cu % | 1.84 | 2.07 | 1.93 |
| Gold Grade | g/t | 0.68 | ~1 | 0.70 |
| Processing | | | | |
| Tonnes Processed | t | 143,405 | 33,858 | 177,263 |
| Copper Grade | Cu % | 2.38 | 2.03 | 2.32 |
| Gold Grade | g/t | 0.59 | 0.393 | 0.55 |
| Copper Recovery | % | 94.48 | 89.80 | 93.69 |
| Gold Recovery | % | 85.66 | 84.00 | 85.43 |
| Production | | | | |
| Concentrate | DMT | 11,832 | 2,156 | 13,988 |
| Contained Copper | t | 3,246 | 602 | 3,848 |
| Contained Gold | Oz | 2,343 | 351 | 2,694 |
| Concentrate Copper Grade | Cu % | 27 | 28 | 27 |
| Concentrate Gold Grade | g/t | 6.16 | 5.07 | 5.99 |

SAFETY AND ENVIRONMENT

During the June quarter, construction and continuous operation of the Antas process plant achieved ~1,200,000 man-hours without a lost time accident and the LTIFR (Lost Time Injury Frequency Rate) remains at zero.

Management continues to focus on developing a safety culture through accountability, engagement and systems. No environmental incidents were recorded.

MINING

Consistent production from the Antas open pit has been maintained for the quarter with a total of 1,633,066 tonnes mined from all stages as per the 2016 schedule.

Highlights for the quarter included:

- Good reconciliation between the grade control model and plant production
- Commencement of the Stage 3 pit cut back
- Improvements in drill performance and blasting fragmentation
- Establishment of final walls for the Life of Mine (LOM) pit

This quarter saw the commencement of the Stage 3 final cut back. Stage 3 is the most elevated area of the mine and significant work was completed to establish access, including preparation of all-weather haul roads.



Antas Mine- Stage 3 development (right)

Drilling performance by mining contractor, Mining and Civil Australia (MACA) has improved with the average drill meter per hour increasing by 19%, resulting from changes in supervision and scheduled maintenance. Several operational factors, such as blasting parameters, have been improved as the mine develops in more consistent material.



Antas Mine – Stage 1 in the foreground.



Liebherr L580 Loader

The current quarter saw 173,286 tonnes of sulphide ore mined at 1.84% copper. The orebody conformed very well to the grade control and resource models, with only minor variations in ore boundaries and lower than expected rates of dilution.



Grade Control Drilling –Stage 2 pit

Grade control drilling on a 5m x10m pattern continues to maintain consistent production rates, aligned with mining and QA/QC requirements.

Construction of the onsite emulsion storage facility has been completed. Representatives from the Military inspected and approved the facility during May.

PROCESSING

Commissioning of the fully integrated plant was completed during the June quarter with commercial production declared on 1 July 2016. Several operational settings were optimised resulting in integrated plant performance that exceeded expectations. The flotation circuit is achieving recoveries of approximately 94% for copper and 85% for gold, a performance above expectations for the commissioning phase.

A tertiary crusher will be installed during the fourth quarter to reinforce the crushing circuit.

The application to increase production from the current 12,000 tonnes per annum of Copper metal to 18,000 tonnes per annum has been submitted and is with the relevant authorities awaiting approval.

Production forecasts for the September quarter will continue within guidance of 3,000 tonnes of copper metal and 1,750 ounces of gold.

OPERATING COSTS

| UNIT CASH COSTS | Units | June Quarter 2016 | Year to date 2016 |
|--|----------------|----------------------|----------------------|
| Payable Copper Production | '000lbs | 6,895 | 8,174 |
| Production Costs | | | |
| Mining Cost | US\$/lb | 0.76 | 0.92 |
| Processing Cost | US\$/lb | 0.32 | 0.35 |
| Administration Cost | US\$/lb | 0.08 | 0.08 |
| Subtotal | US\$/lb | 1.16 | 1.35 |
| Selling Costs | | | |
| Freight | US\$/lb | 0.21 | 0.18 |
| Gold Credits | US\$/lb | (0.36) | (0.30) |
| Smelter Charges | US\$/lb | 0.19 | 0.16 |
| Subtotal | US\$/lb | 0.04 | 0.04 |
| Cash Operating Cost | US\$/lb | 1.20 | 1.39 |
| Movement in ROM and Broken Ore Stockpiles | US\$/lb | (0.17) | (0.33) |
| C1 Unit Cash Costs | US\$/lb | 1.03 | 1.06 |

C1 unit cash costs are calculated per payable pound of copper produced and adjusted for inventory movements during the period. Mining costs include the full cost of all waste mined during the period.

Operating costs came within expectations despite the strengthening of the Brazilian Real to the United States Dollar during the quarter. This was offset by an increase in gold credits due to a higher gold price.

Mining and processing costs were lower than forecast due to additional tonnes of ore being mined and processed, the higher grade achieved and better than predicted recoveries during the commissioning and ramp-up phases.

Costs should remain largely in line with those currently reported in Brazilian Real terms, with the USD / BRL currency expected to remain volatile during the next quarter.

SALES

| SALES STATISTICS | Units | June Quarter 2016 | Year to date 2016 |
|-------------------------------------|----------|----------------------|----------------------|
| Concentrate Sales | | | |
| Copper in Concentrate Sold | '000lb | 6,426 | 6,426 |
| Gold in Concentrate Sold | Oz | 1,951 | 1,951 |
| Provisional Sales (excluding costs) | US\$'000 | 16,195 | 16,195 |
| Average US\$/BRL Exchange Rate | USD/BRL | 3.5099 | 3.7099 |

Shipped sales of concentrate were slightly below expectations due to minor shipment delays.

Provisional sales have been reported as final settlement has not been completed. Samples from the first three shipments have been received by the assay laboratory and results are pending. Quotation period adjustments will be made during the September quarter. The Government royalty

(CFEM) was paid during the quarter, with all other royalties becoming due in the September quarter and continuing for the LOM.

2. PEDRA BRANCA

INTRODUCTION

With Pedra Branca having the potential to produce approximately 35,000tpa of copper, evaluation of the proposed Pedra Branca East¹ (“PBE”) fast start-up pre-commercial trial mine continues to progress. Management is aiming to develop the project that encompasses minimising lead time into the full scale operation when economic conditions improve.

The pre-commercial strategy will target extraction of ore from the PBE hangingwall high grade zone (“HW-HGZ”). The HW-HGZ² is the largest and most prominent of the high grade zones within PBE, and contains approximately 60% of the total copper metal. The substantial thickness of the HW-HGZ will reduce mining dilution and underscores the selection of “sub-level open stoping” as the preferred low cost mining method.

Subject to Board approval, the continued development of Pedra Branca will be funded from existing cash reserves in the near term and will include the box cut, portal and commencement of the decline.

Current planning and design for this strategy ensures the development phase is the same as that required for the fully expanded project, therefore capital will be efficiently deployed. Information from the strategy will feed into a Definitive Feasibility Study (DFS) to support future funding.

The updated resource estimate for PBE announced during the quarter represents a key input for mine design, costings and economics. A number of implementation schedules are being examined. The most aggressive plan assumes commencement of the box-cut and decline before the end of the third quarter 2016³, with first ore extraction during the second or third quarters 2017.

Haulage contractors seeking to transport ore from Pedra Branca to Antas have submitted tenders to haul to Antas.

RESOURCE BLOCK MODELLING⁴

The Mineral Resource estimate at PBE was updated during the quarter, following the completion of near surface infill drilling, successfully achieving the objective of upgrading the confidence of near surface resources to the Measured category. The updated PBE Mineral Resource estimate is comparable in size to the July 2015 estimate with over 70% now reporting to the higher confidence Measured and Indicated categories.

| Pedra Branca East: May 2016 Mineral Resource Estimate (above a cut-off grade of 0.9% Cu) | | | | | | |
|---|--------------|----------------|------------|------------|------------------|-----------------|
| DEPOSIT | Category | Million Tonnes | Cu (%) | Au (g/t) | Copper Metal (T) | Gold Metal (Oz) |
| Pedra Branca East | Measured | 1.98 | 2.7 | 0.7 | 53,000 | 43,000 |
| | Indicated | 5.72 | 2.8 | 0.7 | 161,000 | 123,000 |
| | M + I | 7.70 | 2.8 | 0.7 | 214,000 | 166,000 |
| | Inferred | 2.78 | 2.7 | 0.6 | 75,000 | 55,000 |
| | Total | 10.48 | 2.8 | 0.7 | 289,000 | 221,000 |

The Measured and Indicated Resource for the HW-HGZ is 4.5mt at 2.8% copper and 0.7g/t gold and is the targeted portion of the deposit for the proposed pre-commercial trial underground mine.

| Pedra Branca East HW-HGZ: May 2016 Mineral Resource Estimate (above a cut-off grade of 0.9% Cu) | | | | | | |
|--|--------------|----------------|------------|-------------|------------------|-----------------|
| DEPOSIT | Category | Million Tonnes | Cu (%) | Au (g/t) | Copper Metal (T) | Gold Metal (Oz) |
| Pedra Branca East | Measured | 1.3 | 2.90 | 0.70 | 38,000 | 30,000 |
| | Indicated | 3.2 | 2.80 | 0.70 | 91,000 | 76,000 |
| | M + I | 4.5 | 2.8 | 0.70 | 129,000 | 106,000 |
| | Inferred | 1.6 | 2.40 | 0.50 | 37,000 | 27,000 |
| | Total | 6.1 | 2.7 | 0.70 | 166,000 | 133,000 |

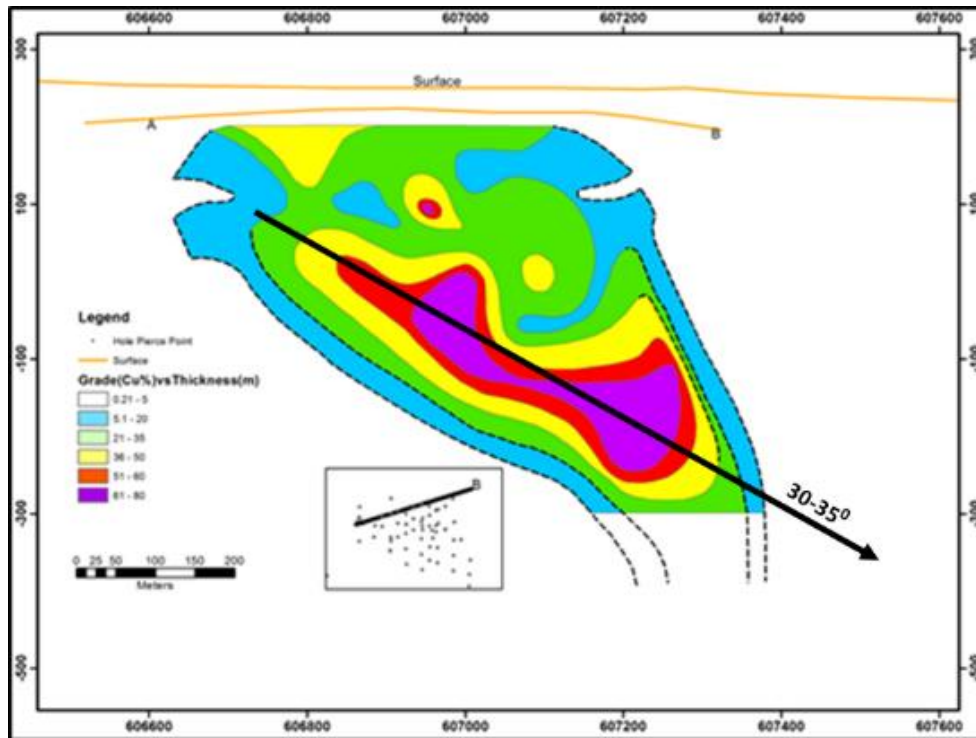
There has been a marginal decrease in global tonnage compared to the July 2015 PBE estimate resulting from more accurate definition of the plunging orebody geometry, and removal of some low confidence Inferred Resource zones. The overall copper grade remains unchanged at 2.8%, while the gold grade has increased by 13% to 0.7g/t. The following table provides a comparison between the July 2015 and May 2016 resource estimates for PBE.

| | PBE: July 2015 Mineral Resource estimate | | | PBE: May 2016 Mineral Resource estimate | | | Comparison | | |
|--------------|--|--------------|----------------|---|--------------|----------------|------------|--------------|----------------|
| | Tonnes (mt) | Grade (Cu %) | Grade (Au g/t) | Tonnes (mt) | Grade (Cu %) | Grade (Au g/t) | Tonnes | Grade (Cu %) | Grade (Au g/t) |
| TOTAL | 11.39 | 2.78 | 0.62 | 10.48 | 2.8 | 0.7 | -8% | 0% | +13% |

GEOLOGY

The updated Pedra Branca East long section, following the last phase of drilling and resource modelling, indicates that the plunge of the orebody is shallower than previously interpreted.

This indicates that further growth potential exists along strike to the east, as well as down plunge. Furthermore, a shallower plunge indicates the orebody extension is closer to surface.



PBE Long Section

INFRASTRUCTURE

Access studies relating to the proposed transport route to the Antas Mine have focussed on the upgrade of 10km of dirt road between the project and the asphalt highway.

PERMITTING

Approval for the excavation of the box-cut has been issued and the Company continues towards the receipt of a Trial Mining Licence in parallel with the application for the full environmental and mining licenses.

GEOTECHNICAL / HYDROLOGY

Results from the independent geotechnical and hydrological study have been incorporated into the current evaluation study, further refining the underground design.

Geotechnical drilling at the preferred box-cut/ramp location has been completed, and a final box-cut/portal/ramp design produced. Plans and associated paperwork have been prepared and submitted to the local municipality for issuance of the license to commence works.

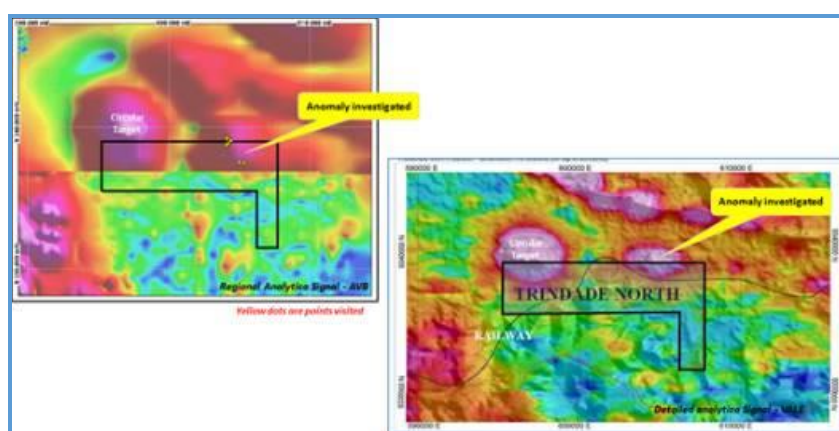
An independent peer review of the proposed trial mine was completed by Marshall Mining Associates and an underground ventilation study completed by independent ventilation specialists Provente.

3. EXPLORATION

Exploration work during the quarter focused on detailed mapping northwest of Pedra Branca, soil sampling at Serra Roxa, and field reconnaissance work at the Trindade North and Xinguarinha licenses.

The Company has purchased new state-of-the-art EM geophysical equipment. This technology will be employed to identify sulphide bodies at depth, greatly assisting and expediting the exploration for new discoveries around Antas and within the Company’s substantial tenement package.

At Trindade North, a new Banded Iron Formation (BIF) was mapped in the northeast of the license, containing high grade iron mineralisation. IOCG alteration assemblages were also noted suggesting potential for copper mineralisation.



4. CORPORATE

Avanco has successfully made the transition from junior explorer to producer status. The Antas mine was brought into commercial production on schedule and on budget. This achievement has increased the Company’s credibility within Brazil’s resources sector opening up opportunities for new copper and gold acquisitions.

The Company announced the appointment of Mr Luiz Ferraz as an Independent Non-Executive Director during the quarter. With commercial production achieved, the engagement of Mr Ferraz continued the on-going restructuring of Avanco’s Board towards greater independence and compliance with ASX Corporate Governance Guidelines. Mr Ferraz brings unparalleled Brazilian industry and corporate expertise to the Company which will bolster Avanco’s standing within the business and financial sectors of Brazil.

The Company’s Registered Office and Principal Place of Business in Australia has changed, with the postal address, telephone and facsimile numbers remaining the same.

The Company’s cash position at the end of the June quarter was USD\$21.042 million.

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 of Brazil
- Avanco either owns, or holds the rights to 100% of the second largest area of mineral tenure in the Carajas region behind Vale SA
- 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 being fully funded into production whilst remaining debt and covenant free
- The commissioning of Antas and ramp-up to commercial production is advancing to plan and is expected to produce around 12,000tpa of copper in concentrate (with 7,000ozpa of gold credits) from 2016, increasing to 15,000tpa by 2018
- Antas is producing a desirable, clean copper concentrate and the Company has executed a three-year offtake contract
- The future development of the nearby Pedra Branca underground project has the potential to increase Avanco's production to ~50,000tpa of copper in 4-5 years. Study of an initial, smaller scale operation is at an advanced stage as a pre-cursor to full scale development
- The Company is supported by institutional shareholders with Blackrock World Mining Trust, Appian Natural Resources Fund, Greenstone Resources and Glencore currently holding ~57% of the issued capital
- 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 focused on mine life growth, Brazil offers significant opportunities to enhance shareholder value through new discoveries, acquisitions or partnerships with neighboring majors and other companies

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| CARAJAS - TOTAL JORC Reported Mineral Resources ^{4,5,6,7} | | | | | | | |
|--|--------------|----------------------|--------------|-------------|------------------|------------------|---------------|
| DEPOSIT | Category | Million Tonnes | Cu (%) | Au (ppm) | Copper Metal (T) | Gold Metal (Oz) | |
| PB East ⁸ | Measured | 1.98 | 2.70 | 0.70 | 53,000 | 43,000 | |
| | Indicated | 5.72 | 2.80 | 0.70 | 161,000 | 123,000 | |
| | Inferred | 2.78 | 2.70 | 0.60 | 75,000 | 55,000 | |
| | Total | 10.48 | 2.80 | 0.70 | 289,000 | 221,000 | |
| PB West ⁸ | 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 | 17.67 | 2.44 | 0.65 | 427,000 | 357,000 | |
| ANTAS NORTH ⁸ | 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 ^{9,10} | 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 | | 34.13 | 1.95 | 0.49 | 664,000 | 524,000 | |
| ANTAS NORTH – JORC Reported Ore Reserves ^{11,12} | | | | | | | |
| 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. The Pedra Branca (PB) deposit 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
2. The announcement includes an updated Mineral Resource estimate for the PBE orebody, which hosts the hangingwall high grade zone (HW-HGZ) within it. The HW-HGZ is defined as a geologically distinct zone of higher grade

mineralisation that sits on the hangingwall contact of PBE. It is the widest and most prominent high grade zone within PBE and persists throughout the entire deposit

3. A decision to start mining at PBE will include consideration of all variables, including CAPEX, OPEX, the feasibility of processing PB ore at the Antas plant, commodity prices, and the Company's cash position
4. Refer ASX Announcement "Resource Upgrade Advances Pedra Branca Development Strategy", 26 May 2016, for Competent Person's Consent, material assumptions, and technical parameters underpinning the Pedra Branca East Mineral Resource Estimate
5. 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
6. 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
7. 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
8. Grade Tonnage Reported above a Cut-off Grade of 0.9% Copper
9. 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
10. Grade Tonnage Reported above a Cut-off Grade of 0.3% Cu for Oxide Resources
11. 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
12. Measured and Indicated Resources are inclusive of those Mineral Resources modified to produce the Ore Reserves

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 | # | 5,000 | 850.228/2016 | Granted to 2019 |
| | 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 | #### |
| Carajas Regional Trindade Iron Project Touro Nickel Project | CARAJAS REGIONAL | ARM | 100 | 9,724 | 850.288/2014 | Granted to 2018 |
| | TRINDADE NORTH | AVB | 100 | 4,967 | 850.283/1999 | * |
| | TRINDADE SOUTH | AVB | # | 9,797 | 850.781/2013 | # |
| | TRINDADE SOUTH | AVB | # | 9,797 | 850.569/2011 | Granted to 2018 |

AVB = AVB Mineração Ltda. ARM = Avanco Resources Mineração Ltda. VDM = Vale Dourado Mineração Ltda. EST = Estela do Brazil Mineração Ltda.

* Final Exploration Report approved by the National Department of Mineral Production.

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

*** Subject to pending legal process

^ 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)

Summary of Exploration and Evaluation Expenditure Incurred per Project

| Project | Current Quarter Payments (\$A'000) |
|----------------------|------------------------------------|
| Stage 2 | 372 |
| Regional Exploration | 180 |
| Total | 552 |