

**AVANCO RESOURCES LIMITED**  
**ABN 85 126 379 646**

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## **PROSPECTUS**

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For the offer of 6,666,667 Shares at an issue price of \$0.30 each to raise \$2,000,000 (**Offer**).

**The Offer is not underwritten.**

### **Important Notice**

This document is important and should be read in its entirety. If after reading this Prospectus you have any questions about the Shares being offered under this Prospectus or any other matter, you should consult your stockbroker, accountant or other professional adviser.

The Shares offered by this Prospectus should be considered speculative.

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## TIMETABLE AND IMPORTANT DATES

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Event	Date
Lodgement of Prospectus with the ASIC	30 July 2008
Opening Date	31 July 2008
Closing Date	15 August 2008*
Expected date of Official Quotation of the Shares	18 August 2008

\*The Directors reserve the right to extend the Closing Date at any time after the Opening Date without notice. As such, the date the Shares are expected to commence trading on ASX may vary with any change in the Closing Date.

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## IMPORTANT INFORMATION

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This Prospectus is dated 30 July 2008 and a copy of this Prospectus was lodged with the ASIC on that date. The ASIC and ASX take no responsibility for the contents of this Prospectus or the merits of the investment to which this Prospectus relates.

The Expiry Date of the Prospectus is the date that is 13 months after the date of this Prospectus (**Expiry Date**). No Shares will be allotted or issued on the basis of this Prospectus after the Expiry Date.

The distribution of this Prospectus in jurisdictions outside Australia and New Zealand may be restricted by law and persons who come into possession of this Prospectus should seek advice on and observe any of these restrictions. Failure to comply with these restrictions may violate securities laws. Applicants who are resident in countries other than Australia and New Zealand should consult their professional advisers as to whether any governmental or other consents are required or whether any other formalities need to be considered and followed.

No person is authorised to give any information or to make any representation in connection with this Prospectus, which is not contained in the Prospectus.

Please read this document carefully before you make a decision to accept the Offer. An investment in the Company has specific risks which you should consider before making a decision to invest.

Certain terms and abbreviations used in this Prospectus have defined meanings which are set out in the Glossary.

This Prospectus is a transaction specific Prospectus to acquire continuously quoted securities (as defined in the Corporations Act) and has been prepared in accordance with Section 713 of the Corporations Act. It does not contain the same level of disclosure as an initial public offering prospectus. In making representations in this Prospectus regard has been had to the fact that the Company is a disclosing entity for the purposes of the Corporations Act and certain matters may reasonably be expected to be known to investors and professional advisers whom potential investors may consult.

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## WEBSITE – ELECTRONIC PROSPECTUS

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A copy of this Prospectus can be downloaded from [www.avancoresources.com](http://www.avancoresources.com). Any person accessing the electronic version of the Prospectus for the purpose of making an investment in the Company must be an Australian resident and must only access the Prospectus from within Australia.

The Corporations Act prohibits any person passing onto another person an Application Form unless it is attached to a hard copy of this Prospectus or it accompanies the complete and unaltered version of this Prospectus. Any person may obtain a hard copy of this Prospectus free of charge by contacting the Company.

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## CORPORATE DIRECTORY

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### Directors

Mr Matthew Wood  
Mr Anthony Polglase  
Mr Colin Jones  
Mr Wayne Phillips

### Company Secretary

Mr Scott Funston

### Registered Office

Level 2  
675 Murray Street  
WEST PERTH WA 6005

Telephone: (08) 9321 6600  
Facsimile: (08) 9226 2027

### Solicitors to the Company

Steinepreis Paganin  
Level 4, Next Building  
16 Milligan Street  
PERTH WA 6000

### Share Registry\*

Computershare Investor Services Pty Ltd  
Level 2, 45 St Georges Terrace  
PERTH WA 6000

Telephone: (08) 9323 2000  
Facsimile: (08) 9323 2033

### Auditors\*

Ernst & Young  
11 Mounts Bay Road  
PERTH WA 6000

\* These entities have been named for information purposes only. They have not been involved in the preparation of this Prospectus and have not consented to being named in this Prospectus.

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## 1. DETAILS OF THE OFFER

### 1.1 Offer

This Prospectus invites investors to apply for a total of 6,666,667 Shares at an issue price of \$0.30 per Share payable in full on application to raise \$2,000,000.

All of the Shares offered under this Prospectus will rank equally with Shares on issue at the date of this Prospectus. Please refer to Section 3 of this Prospectus for further information regarding the rights and liabilities attaching to the Shares.

The Offer is not underwritten.

### 1.2 Opening and Closing Dates of the Offer

The Opening Date of the Offer is 31 July 2008 and the Closing Date is 15 August 2008 at 5:00pm WST. The Directors reserve the right to extend the Closing Date should it be considered by them necessary to do so.

### 1.3 Use of Proceeds

The purpose of the Offer is to raise \$2,000,000 (before expenses). The funds raised by the Offer will be applied as follows:

Use of Funds	\$
Exploration drilling	\$1,300,000
Mine Permitting	\$60,000
Feasibility Studies	\$300,000
Working Capital	\$220,000
Expenses of the Offer	\$120,000
<b>TOTAL</b>	<b>\$2,000,000</b>

### 1.4 Application for Shares

Applications for Shares must be made using the Application Form attached to this Prospectus.

Payment for the Shares must be made in full at the issue price of \$0.30 per Share. Completed Application Forms and accompanying cheques must be delivered to:

Computershare Investor Services Pty Limited  
Level 2, Reserve Bank Building  
45 St Georges Terrace  
PERTH WA 6000

Or mailed to:

Computershare Investor Services Pty Limited  
GPO Box D182  
PERTH WA 6840

Cheques should be made payable to "Avanco Resources Limited – Placement Account" and crossed "Not Negotiable". Completed Application Forms must reach the Share Registry by no later than the Closing Date.

## **1.5 Commissions**

The Company has agreed to pay a commission of 5% (inclusive of GST) of amounts subscribed to any licensed securities dealers or Australian financial services licensees in respect of any valid Application Forms lodged and accepted by the Company.

## **1.6 Allotment**

Allotment of Shares offered by this Prospectus will take place as soon as practicable after the Closing Date. Prior to allotment, all application monies under the Offer shall be held by the Company on trust. The Company, irrespective of whether the allotment of Shares takes place, will retain any interest earned on the application monies.

The Directors reserve the right to allot Shares in full for any application under the Offer or to allot any lesser number or to decline any application. Directors may in their discretion give preference to Shareholders in accepting applications under the Offer. Where the number of Shares allotted under the Offer is less than the number applied for, or where no allotment is made, the surplus application monies will be returned by cheque to the applicant within seven (7) days of the allotment date.

## **1.7 Minimum Subscription**

The minimum subscription for the Offer is \$2,000,000 (being the full subscription pursuant to the Offer). If the minimum subscription is not raised within four (4) months after the date of this Prospectus, all applications will be dealt with in accordance with the Corporations Act.

## **1.8 ASX Listing**

The Company will apply to ASX within seven (7) days after the date of this Prospectus for Official Quotation of the Shares offered under this Prospectus. If ASX does not grant permission for Official Quotation of the Shares offered pursuant to this Prospectus within three (3) months after the date of this Prospectus, or such longer period as is permitted by the Corporations Act, none of the Shares offered by this Prospectus will be allotted or issued. In these circumstances, all applications will be dealt with in accordance with the Corporations Act.

## **1.9 Applicants outside Australia**

This Prospectus does not, and is not intended to, constitute an offer in any place or jurisdiction where, or to any person to whom, it would not be lawful to make such an offer or to issue this Prospectus. The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law and persons who come into possession of this Prospectus should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws. No action has been taken to register or qualify these Shares or otherwise permit a public offering of the securities the subject of this Prospectus in any jurisdiction outside Australia.

It is the responsibility of applicants outside Australia to obtain all necessary approvals for the allotment and issue of Shares pursuant to this Prospectus. The

return of a completed Application Form will be taken by the Company to constitute a representation and warranty by the applicant that all relevant approvals have been obtained.

#### **1.10 CHESS**

The Company participates in the Clearing House Electronic Sub-register System (**CHESS**). CHESS is operated by ASX Settlement and Transfer Corporation Pty Ltd (**ASTC**), a wholly owned subsidiary of ASX, in accordance with the Listing Rules and the ASTC Settlement Rules.

Under CHESS, the Company will not issue certificates to investors. Instead, investors will receive a statement of their holdings in the Company. If an investor is broker sponsored, ASTC will send a CHESS statement.

#### **1.11 Risk Factors**

Prospective applicants should be aware that subscribing for Shares the subject of this Prospectus involves a number of risks. These risks are set out in Section 4 of this Prospectus and investors are urged to consider those risks carefully (and if necessary, consult their professional adviser) before deciding whether to invest in the Company.

The risk factors set out in Section 4, and other general risks applicable to all investments in securities not specifically referred to, may in the future affect the value of the Shares. Accordingly, an investment in the Company should be considered speculative.

#### **1.12 Privacy Act**

If you complete an Application Form you will be providing personal information to the Company (directly or via the Company's share registry). The Company collects, holds and will use that information to assess your application, service your needs as a Shareholder, facilitate distribution of payments and corporate communications to you as a Shareholder and carry out administration.

The information may also be used from time to time and disclosed to persons inspecting the register, bidders for your securities in the context of takeovers, regulatory bodies, including the Australian Taxation Office, authorised securities brokers, print service providers, mail houses and the Company share registry.

You can access, correct and update the personal information that we hold about you. Please contact the Company or its registry if you wish to do so at the relevant contact numbers set out in this Prospectus.

Collection, maintenance and disclosure of certain personal information is governed by legislation including the Privacy Act 1988 (as amended), the Corporations Act and certain rules such as the ASTC Settlement Rules. You should note that if you do not provide the information required on the application for Shares, the Company may not be able to accept or process your application.

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## 2. FINANCIAL INFORMATION

### 2.1 Effect of the Offer

The principal effect of the Offer will be to:

- (a) increase cash reserves by approximately \$1,880,000 after deducting estimated expenses of the Offer and assuming all Shares offered under this Prospectus are issued; and
- (b) increase the number of Shares on issue from 55,000,003 as at the date of this Prospectus to 61,666,670 Shares, assuming all Shares offered under this Prospectus are issued.

The Offer will have an effect on the Company's financial position. Set out in below is:

- (a) an unaudited balance sheet of the Company as at 31 May 2008; and
- (b) an unaudited pro forma consolidated balance sheet of the Company as at 31 May 2008 incorporating and assuming:
  - (i) the issue of 6,666,667 Shares at \$0.30 per Share to raise \$2,000,000 (before expenses of the Offer); and
  - (ii) the payment of expenses of the Offer totalling \$120,000 which are payable from the proceeds of the Offer.

The financial information is presented in an abbreviated form, insofar as it does not include all of the disclosures required by Australian Accounting Standards applicable to annual financial statements.

## 2.2 Statement of Financial Position

	Unaudited	Pro forma Unaudited
	As at 31 May 08	As at 31 May 08
<b>Current Assets</b>		
Cash	2,166,486	4,046,486
Receivables	38,072	38,072
<b>Non Current Assets</b>		
Plant & equipment	139,102	139,102
Exploration properties	1,805,430	1,805,430
<b>TOTAL ASSETS</b>	<b>4,149,090</b>	<b>6,029,090</b>
<b>Current Liabilities</b>		
Creditors & borrowings	54,096	54,096
<b>TOTAL LIABILITIES</b>	<b>54,096</b>	<b>54,096</b>
<b>NET ASSETS</b>	<b>4,094,994</b>	<b>5,974,994</b>
<b>SHAREHOLDER EQUITY</b>		
Share Capital	4,248,773	6,128,773
Reserves	456,026	456,026
Retained Loss	(609,805)	(609,805)
<b>TOTAL SHAREHOLDER EQUITY</b>	<b>4,094,994</b>	<b>5,974,994</b>

## 2.3 Pro forma Capital Structure of the Company

The capital structure of the Company following completion of the Offer (assuming full subscription) is summarised below:

### Shares

Shares on issue as at the date of this Prospectus	55,000,003
Issued pursuant to this Prospectus	6,666,667
<b>Shares on issue on completion of the Offer</b>	<b>61,666,670</b>

### Options

Quoted Options	55,000,003
Unquoted Options exercisable at \$0.20 on or before 30/04/2013	1,500,000
Unquoted Options exercisable at \$0.35 on or before 12/05/2013	545,000
Options issued pursuant to this Prospectus	Nil
<b>Options on issue on completion of the Offer</b>	<b>57,045,003</b>

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### 3. RIGHTS ATTACHING TO SHARES

The following is a summary of the more significant rights attaching to Shares. This summary is not exhaustive and does not constitute a definitive statement of the rights and liabilities of shareholders in the Company. To obtain such a statement, persons should seek independent legal advice.

Full details of the rights attaching to Shares are set out in the Company's Constitution, a copy of which is available for inspection at the Company's registered office during normal business hours.

#### 3.1 Rights attaching to Shares

##### (a) General Meetings

Shareholders are entitled to be present in person, or by proxy, attorney or representative to attend and vote at general meetings of the Company.

Shareholders may requisition meetings in accordance with Section 249D of the Corporations Act and the Constitution of the Company.

##### (b) Voting Rights

Subject to any rights or restrictions for the time being attached to any class or classes of shares, at general meetings of shareholders or classes of shareholders:

- (i) each shareholder entitled to vote may vote in person or by proxy, attorney or representative;
- (ii) on a show of hands, every person present who is a shareholder or a proxy, attorney or representative of a shareholder has one vote; and
- (iii) on a poll, every person present who is a shareholder or a proxy, attorney or representative of a shareholder shall, in respect of each fully paid share held by him, or in respect of which he is appointed a proxy, attorney or representative, have one vote for the share, but in respect of partly paid shares shall have such number of votes as bears the same proportion to the total of such shares registered in the shareholder's name as the amount paid (not credited) bears to the total amounts paid and payable (excluding amounts credited).

##### (c) Dividend Rights

Subject to the rights of persons (if any) entitled to shares with special rights to dividend the Directors may declare a final dividend out of profits in accordance with the Corporations Act and may authorise the payment or crediting by the Company to the shareholders of such a dividend. The Directors may authorise the payment or crediting by the Company to the shareholders of such interim dividends as appear to the Directors to be justified by the profits of the Company. Subject to the rights of persons (if any) entitled to shares with special rights as to dividends, all dividends are to be declared and paid according to the amounts paid or credited as paid on the shares in respect of which the dividend is paid. Interest may not be paid by the Company in respect of any dividend, whether final or interim.

(d) **Winding-Up**

If the Company is wound up, the liquidator may, with the authority of a special resolution of the Company, divide among the shareholders in kind the whole or any part of the property of the Company, and may for that purpose set such value as he considers fair upon any property to be so divided, and may determine how the division is to be carried out as between the shareholders or different classes of shareholders. The liquidator may, with the authority of a special resolution of the Company, vest the whole or any part of any such property in trustees upon such trusts for the benefit of the contributories as the liquidator thinks fit, but so that no shareholder is compelled to accept any shares or other securities in respect of which there is any liability. Where an order is made for the winding up of the Company or it is resolved by special resolution to wind up the Company, then on a distribution of assets to members, shares classified by ASX as restricted securities at the time of the commencement of the winding up shall rank in priority after all other shares.

(e) **Transfer of Shares**

Generally, shares in the Company are freely transferable, subject to formal requirements, the registration of the transfer not resulting in a contravention of or failure to observe the provisions of a law of Australia and the transfer not being in breach of the Corporations Act or the Listing Rules.

(f) **Variation of Rights**

Pursuant to Section 246B of the Corporations Act, the Company may, with the sanction of a special resolution passed at a meeting of shareholders vary or abrogate the rights attaching to shares.

If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class), whether or not the Company is being wound up may be varied or abrogated with the consent in writing of the holders of three-quarters of the issued shares of that class, or if authorised by a special resolution passed at a separate meeting of the holders of the shares of that class.

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## **4. RISK FACTORS**

### **4.1 General**

The Shares offered under this Prospectus are considered speculative, and involve investors being exposed to risk. The Directors recommend potential applicants examine the contents of this Prospectus and consult their professional advisers before deciding whether to apply for Shares offered pursuant to this Prospectus.

There are specific risks which relate directly to the Company's business. In addition, there are other general risks, many of which are largely beyond the control of the Company's quoted securities.

This list is not exhaustive and potential applicants should examine the contents of this Prospectus and consult their professional advisers before deciding whether to apply for Shares.

### **4.2 Economic Risks**

General economic conditions, movements in interest and inflation rates and currency exchange rates may have an adverse effect on the Company's exploration, development and production activities, as well as on its ability to fund those activities.

Further, share market conditions may affect the value of the Company's quoted securities regardless of the Company's operating performance. Share market conditions are affected by many factors such as:

- (a) general political and economic outlook in Australia;
- (b) interest rates and inflation rates;
- (c) currency fluctuations;
- (d) changes in investor sentiment toward particular market sectors (in particular copper and gold);
- (e) industrial and landowner issues and disputes; and
- (f) terrorism or other hostilities.

### **4.3 Market Conditions**

The market price of quoted securities can fall as well as rise and may be subject to varied and unpredictable influences on the market for equities in general and resource exploration stocks in particular. Neither the Company nor the Directors warrant the future performance of the Company or any return on an investment in the Company.

### **4.4 Additional Requirements for Capital**

The Company's capital requirements depend on numerous factors. Depending on the Company's ability to generate income from its operations, the Company may require further financing in addition to amounts raised under the capital raising. Any additional equity financing will dilute shareholdings, and debt financing, if available, may involve restrictions on financing and operating activities. If the Company is unable to obtain additional financing as needed, it

may be required to reduce the scope of its operations and scale back its exploration programmes as the case may be.

#### **4.5 Title Risk**

Minerals licences are granted subject to various conditions (including, without limitation, minimum work requirements). Failure to comply with conditions may lead to forfeiture.

All of the Mineral Properties in which the Company has or may, upon grant, have an interest in will be subject to renewal. If any of the Mineral Properties is not renewed for any reason the Company may suffer damage through loss of opportunity to develop. The Directors are not aware of any reason why renewal (or grant) of any Mineral Properties will not occur.

#### **4.6 Exploration Success**

The Mineral Properties are at various stages of exploration, and potential investors should understand that mineral exploration and development are high-risk undertakings.

There can be no assurance that exploration of the Mineral Properties, or any other mineral properties that may be acquired in the future, will result in the discovery of an economic ore deposit. Even if an apparently viable deposit is identified, there is no guarantee that it can be economically exploited.

The future exploration activities of the Company may be affected by a range of factors including geological conditions, limitations on activities due to seasonal weather patterns, unanticipated operational and technical difficulties, industrial and environmental accidents, native title process, changing government regulations and many other factors beyond the control of the Company.

The success of the Company will also depend upon the Company having access to sufficient development capital, being able to maintain title to its Mineral Properties and obtaining all required approvals for its activities. In the event that exploration programs prove to be unsuccessful this could lead to a diminution in the value of the Mineral Properties, a reduction in the cash reserves of the Company and possible relinquishment of the Mineral Properties.

#### **4.7 Operating Risks**

The operations of the Company may be affected by various factors, including failure to locate or identify mineral deposits; failure to achieve predicted grades in exploration and mining; operational and technical difficulties encountered in mining; difficulties in commissioning and operating plant and equipment; mechanical failure or plant breakdown; unanticipated metallurgical problems which may affect extraction costs; adverse weather conditions; industrial and environmental accidents; industrial disputes; and unexpected shortages or increases in the costs of consumables, spare parts, plant and equipment.

No assurances can be given that the Company will achieve commercial viability through the successful exploration and/or mining of its Mineral Properties. Until the Company is able to realise value from its projects, it is likely to incur ongoing operating losses.

#### **4.8 Resource Estimates**

Resource estimates are expressions of judgment based on knowledge, experience and industry practice. Estimates which were valid when originally calculated may alter significantly when new information or techniques become available. In addition, by their very nature, resource estimates are imprecise and depend to some extent on interpretations, which may prove to be inaccurate. As further information becomes available through additional fieldwork and analysis, the estimates are likely to change. This may result in alterations to development and mining plans which may, in turn, adversely affect the Company's operations.

There can be no guarantee that the Company will be able to convert the results from previous exploration into classification under the JORC code.

#### **4.9 Commodity Price Volatility and Exchange Rate Risks**

If the Company achieves success leading to mineral production, the revenue it will derive through the sale of commodities exposes the potential income of the Company to commodity price and exchange rate risks. Commodity prices fluctuate and are affected by many factors beyond the control of the Company. Such factors include supply and demand fluctuations for precious and base metals, technological advancements, forward selling activities and other macro-economic factors.

Furthermore, international prices of various commodities are denominated in United States dollars, whereas the income and expenditure of the Company will be taken into account in Brazilian and Australian currencies, exposing the Company to the fluctuations and volatility of the rate of exchange between the United States dollar and the Australian dollar and the Brazilian real as determined in international markets.

#### **4.10 Environmental Risks**

The operations and proposed activities of the Company are likely to be subject to national & local regulations concerning the environment. As with most exploration projects and mining operations, the Company's activities are expected to have an impact on the environment, particularly if advanced exploration or mine development proceeds. It is the Company's intention to conduct its activities to a high standard of environmental obligation, including compliance with the prevailing environmental legislation.

In this regard, the regulatory authorities may from time to time, review the environmental conditions associated with Company's projects. The Directors are not in a position to state whether a review is imminent or whether the outcome of such a review would be detrimental to the funding needs of the Company.

#### **4.11 Reliance on Key Management**

The responsibility of overseeing the day-to-day operations and the strategic management of the Company depends substantially on its senior management and its key personnel. There can be no assurance given that there will be no detrimental impact on the Company if one or more of these employees cease their employment.

#### **4.12 Investment Speculative**

The above list of risk factors ought not to be taken as exhaustive of the risks faced by the Company or by investors in the Company. The above factors, and others not specifically referred to above, may in the future materially affect the financial performance of the Company and the value of the Shares offered under this Prospectus.

Potential investors should consider that the investment in the Company is speculative and should consult their professional advisers before deciding whether to apply for Shares pursuant to this Prospectus.

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## 5. ADDITIONAL INFORMATION

### 5.1 Continuous Disclosure Obligations

The Company is a “disclosing entity” for the purpose of Section 713 of the Corporations Act and, as such, is subject to regular reporting and disclosure obligations. Specifically, like all listed companies, the Company is required to continuously disclose any information it has to the market which a reasonable person would expect to have a material effect on the price or the value of the Company’s securities. The Shares which will be issued pursuant to this Prospectus are in the same class of Shares that have been quoted on the official list of the ASX during the 3 months prior to the issue of this Prospectus.

This Prospectus is a “transaction specific prospectus”. In general terms “transaction specific prospectuses” are only required to contain information in relation to the effect of the issue of securities on the Company and the rights attaching to the securities. It is not necessary to include general information in relation to all of the assets and liabilities, financial position, profits and losses or prospects of the Company.

This Prospectus is intended to be read in conjunction with the publicly available information in relation to the Company which has been notified to ASX and does not include all of the information that would be included in a prospectus for an initial public offering of securities in an entity that is not already listed on a stock exchange. Investors should therefore have regard to the other publicly available information in relation to the Company before making a decision whether or not to invest.

Having taken such precautions and having made such enquiries as are reasonable, the Company believes that it has complied with the general and specific disclosure requirements of ASX as applicable from time to time since the date the Company listed on ASX.

Information that is already in the public domain has not been reported in this Prospectus other than that which is considered necessary to make this Prospectus complete.

The Company, as a disclosing entity under the Corporations Act, states that:

- (a) copies of documents lodged with the ASIC in relation to the Company may be obtained from, or inspected at, the offices of the ASIC; and
- (b) it will provide a copy of any continuous disclosure given by the Company since the date the Company listed on ASX.

As at the date of this Prospectus, the Company has not lodged any annual financial report with ASIC.

The Company has lodged the following announcements with ASX since lodgement of the IPO Prospectus with the ASIC on 7 November 2007:

21/07/2008	Appendix 3B Release of Restricted Securities
16/07/2008	Suspension from Official Quotation
14/07/2008	Trading Halt
11/07/2008	Drilling Continues to Discover Copper Oxide
10/07/2008	Restricted Securities to be Released from Escrow

07/07/2008	Appendix 3B Release of Restricted Securities
25/06/2008	Restricted Securities to be Released from Escrow
10/06/2008	Investor Presentation
27/05/2008	Change of Director's Interest Notice
27/05/2008	Change of Director's Interest Notice
27/05/2008	Change of Director's Interest Notice
27/05/2008	Change of Director's Interest Notice
26/05/2008	Exceptional Drilling Results
23/05/2008	Top 20 Option Holders
23/05/2008	Option Holders Distribution Schedule
23/05/2008	Appendix 3B
20/05/2008	Completion of Entitlement Offer
13/05/2008	Appendix 3B
05/05/2008	Dispatch of Documents
30/04/2008	Change of Director's Interest Notice
30/04/2008	Change of Director's Interest Notice
30/04/2008	Quarterly Activities Report
30/04/2008	Quarterly Activities Report
30/04/2008	Appendix 3B
30/04/2008	Results of General Meeting
28/04/2008	Copper Oxide Discovery
23/04/2008	Letter to Shareholders
21/04/2008	Amended Non Renounceable Entitlement Issue
21/04/2008	Appendix 3B Non-Renounceable Entitlement Issue
21/04/2008	Non Renounceable Entitlement Issue
21/04/2008	Disclosure Document
01/04/2008	Notice of General Meeting
14/03/2008	Half Year Accounts
12/03/2008	Investor Update
13/02/2008	Carajas Copper Project Drilling Programme Extended
31/01/2008	Quarterly Cashflow Report
31/01/2008	Quarterly Activities Report
29/01/2008	Drilling Commences Carajas Copper Project
14/01/2008	Exploration Manager Appointed
20/12/2007	Notice of Initial Substantial Holder
20/12/2007	Notice of Initial Substantial Holder
20/12/2007	Notice of Initial Substantial Holder
19/12/2007	Initial Director's Interest Notice
19/12/2007	Initial Director's Interest Notice
19/12/2007	Initial Director's Interest Notice
19/12/2007	Initial Director's Interest Notice
10/12/2007	Commencement of Official Quotation
10/12/2007	Revised circular - change of listing time
07/12/2007	Constitution

07/12/2007	Corporate Governance Statement
07/12/2007	Pre-quotations Disclosure
07/12/2007	Admission to Official List
07/12/2007	Registration of Brazil tenements
07/12/2007	Appendix 1A: ASX Listing application and agreement
07/12/2007	Quotation details
07/12/2007	Restricted securities
07/12/2007	Employee Share Option Plan
07/12/2007	Distribution Schedule
07/12/2007	Top 20 Shareholders
20/11/2007	Disclosure Document

## 5.2 Market price of Shares on ASX

The Company is a disclosing entity for the purposes of the Corporations Act and its Shares are enhanced disclosure securities quoted on ASX.

The highest and lowest market sale prices of the Company's Shares on ASX since lodgement of the IPO Prospectus with the ASIC and the respective dates of those sales were:

- (a) highest – 67.5 cents on 14 December 2007; and
- (b) lowest – 35 cents on 27 June 2008.

The latest available closing sale price of the Company's Shares on ASX prior to the lodgement of this Prospectus with the ASIC was 36 cents per Share on 11 July 2008.

## 5.3 Consents

The party referred to in this section:

- (a) does not make, or purport to make, any statement in this Prospectus other than those referred to in this section;
- (b) has not authorised or caused the issue of this Prospectus and any electronic version of this Prospectus; and
- (c) to the maximum extent permitted by law, expressly disclaim and take no responsibility for any part of this Prospectus other than a reference to its name and a statement included in this Prospectus with the consent of that party as specified in this section.

Steinepreis Paganin has given its written consent to be named in this Prospectus as the solicitor to the Company and has not withdrawn its consent prior to the lodgement of this Prospectus with the ASIC.

## 5.4 Directors' Interests and Remuneration of Directors

The Directors' interests in securities in the Company at the date of this Prospectus are:

<b>Director</b>	<b>Shares</b>	<b>Options Currently Held</b>
Matthew Wood	4,625,001	4,715,001 Quoted Options
Anthony Polglase	4,600,001	4,690,001 Quoted Options
Colin Jones	150,000	240,000 Quoted Options 500,000 Unquoted Options
Wayne Phillips	150,000	240,000 Quoted Options 500,000 Unquoted Options

The Constitution provides that the Directors may be paid for their services as Directors a sum not exceeding such fixed sum per annum as may be determined by the Company in general meeting (currently set at \$500,000), to be divided among the Directors and in default of agreement then in equal shares.

Directors are also reimbursed for all reasonable expenses incurred in the course of conducting their duties which include, but are not in any way limited to, out of pocket expenses, travelling expenses, disbursements made on behalf of the Company and other miscellaneous expenses.

No non-executive Director shall be paid as part or whole of his remuneration a commission on or a percentage of profits or operating revenue.

If any of the Directors are called upon to perform extra services or make any special exertions on behalf of the Company or its business, the Directors may remunerate this Director in accordance with such services or exertions, and this remuneration may be either in addition to or in substitution for the remuneration provided in the form of directors' fees.

The table below sets out the expected annual remuneration payable to the Directors for the current financial year, inclusive of directors' fees and consultancy fees.

<b>Director</b>	<b>Current Financial Year</b>
Matthew Wood	\$60,000
Anthony Polglase	\$240,000
Colin Jones	\$40,000
Wayne Phillips	\$40,000

Since incorporation the Company has paid to the Directors a total of \$320,555 for the period ended 30 June 2008.

## **5.5 Interests of Experts and Advisers**

Other than as set out below or elsewhere in this Prospectus, no expert nor any organisation in which such expert has an interest, has or had within 2 years before the lodgement of this Prospectus with the ASIC, any interest in:

- (a) the promotion or formation of the Company;

- (b) property acquired or proposed to be acquired by the Company in connection with its formation or promotion or the offer of Shares pursuant to this Prospectus; or
- (c) the offer of Shares pursuant to this Prospectus,

and no amounts have been paid or agreed to be paid (in cash or shares or otherwise) to any expert or to any firm in which any such expert is a partner, either to induce him to become, or to qualify him as, a expert or otherwise for services rendered by him or by the firm in connection with the promotion or formation of the Company.

Steinepreis Paganin have acted as solicitors to the Company in relation to the Offer. Steinepreis Paganin will be paid approximately \$5,990 for services provided in relation to this Prospectus. Since incorporation, Steinepreis Paganin have been paid approximately \$60,000 for their services.

## 5.6 Broker Commissions

The Company has agreed pursuant to the terms of a mandate to pay a commission of 5% (inclusive of GST) of amounts subscribed to any licensed securities dealers or Australian financial services licensees in respect of any valid Application Forms lodged and accepted by the Company. This equates to a total amount of \$100,000.

## 5.7 Litigation

The Company is not engaged in any legal or arbitration proceedings, nor so far as the Directors are aware, are there any legal or arbitration proceedings active, pending or threatened by or against the Company which may have or have had a significant effect on the financial position of the Company.

## 5.8 Expenses of the Offer

The total estimated expenses of the Offer (excluding GST and assuming all Shares offered under the Offer pursuant to this Prospectus are issued) is as follows:

<b>Item</b>	<b>Amount</b>
ASIC fees	\$2,010
Broker placement fee	\$100,000
ASX fees	\$7,000
Legal fees	\$5,990
Printing/Other	\$5,000
<b>Total</b>	<b>\$120,000</b>

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**6. DIRECTORS' AUTHORISATION**

This Prospectus is issued by the Company and its issue has been authorised by a resolution of the Directors.

In accordance with Section 720 of the Corporations Act, each Director has consented to the lodgement of this Prospectus with the ASIC.



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**Matthew Wood**  
**For and on behalf of**  
**Avanco Resources Limited**

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## GLOSSARY

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**Application Form** means the application form attached accompanying this Prospectus.

**ASIC** means the Australian Securities and Investments Commission.

**ASX** means, as the context requires, ASX Limited (ACN 008 624 691) or the Australian Securities Exchange.

**Board** means the board of Directors unless the context indicates otherwise.

**Business Day** means a day on which trading takes place on the stock market of ASX.

**Closing Date** means 15 August 2008 at 5.00pm (WST) unless extended or closed earlier.

**Company** or **Avanco Resources** means Avanco Resources Limited (ABN 85 126 379 646).

**Constitution** means the Company's constitution as at the date of this Prospectus.

**Corporations Act** means the Corporations Act 2001 (Cth).

**Directors** means the directors of the Company at the date of this Prospectus.

**Dollar** or "**\$**" means Australian dollars.

### **General Meeting**

**IPO Prospectus** means the prospectus dated 7 November 2007 for an initial public offer of 20,000,000 Shares at an issue price of \$0.20 each to raise \$4,000,000.

**Listing Rules** or **ASX Listing Rules** means the Listing Rules of ASX.

**Mineral Properties** means exploration permits and exploration claims in which the Company has an interest.

**Offer** means the offer to apply for 6,666,667 Shares at an issue price of \$0.30 pursuant to this Prospectus, as detailed in Section 1.

**Opening Date** means 31 July 2008.

**Option** means an option to acquire a Share.

**Prospectus** means this prospectus.

**Quoted Option** means an Option quoted on the Official List of ASX exercisable at \$0.20 on or before 30 June 2010.

**Share** means a fully paid ordinary share in the capital of the Company.

**Share Registry** means Computershare Investor Services Pty Ltd.

**Shareholder** means a shareholder of the Company.

**Unquoted Option** means an Option not quoted on the Official List of ASX.

**WST** means Western Standard Time.

# Avanco Resources Limited ABN 85 126 379 646

## Application Form

Please read all instructions on reverse of this form

Share Registrars use only	
Broker reference – stamp only	
Broker code	Adviser Code

Number of Shares applied for	At \$0.30 per Share	Total amount payable
<input type="text"/>	=	cheque(s) to equal this amount
		A\$ <input type="text"/>

you may be allocated all of the Shares above or a lesser number

Full name details title, given name(s) (no initials) and surname or Company name	Tax file number(s) Or exemption category
Name of Applicant 1	Applicant 1/Company
<input type="text"/>	<input type="text"/>
Name of joint Applicant 2 or <account name>	Joint Applicant 2/ trust
<input type="text"/>	<input type="text"/>
Full postal address Number/street	Contact details Contact name
<input type="text"/>	<input type="text"/>
<input type="text"/>	Contact daytime telephone number
<input type="text"/>	( ) <input type="text"/>
Suburb/town	Contact email address
<input type="text"/>	<input type="text"/>
State/postcode	
<input type="text"/>	
<b>CHESS HIN</b> (if applicable) <input type="text"/>	
<b>PID Number</b> (if applicable) <input type="text"/>	

Cheque payment details please fill out your cheque details and make your cheque payable to "Avanco Resources Limited – Placement Account"

Drawer	Cheque number	BSB number	Account number	Total amount of cheque
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	\$
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	\$

You should read the Prospectus carefully before completing this Application Form. The Corporations Act prohibits any person from passing on this Application Form unless it is attached to or accompanies a complete and unaltered copy of the Prospectus and any relevant supplementary Prospectus.

I/We declare that:

- (a) this Application is completed according to the declaration/appropriate statements on the reverse of this form and agree to be bound by the Constitution of Avanco Resources Limited; and
- (b) I/we have received personally a copy of this Prospectus accompanied by or attached to the Application Form or a copy of the Application Form or a direct derivative of the Application Form, before applying for Shares.

**THIS FORM DOES NOT REQUIRE A SIGNATURE**

## INSTRUCTIONS TO APPLICANTS

Please post or deliver the completed Application Form together with a cheque to the share registry of the Company. If an Applicant has any questions on how to complete this Application Form, please telephone the Company on (08) 9321 6600. The Form must be received by the Company no later than the Closing Date.

### A. Application for Shares

The Application Form must only be completed in accordance with instructions included in Prospectus.

### B. Contact Details

Please provide a contact name and daytime telephone number so that the Company can contact the Applicant if there is an irregularity regarding the Application Form.

### C. Cheque Details

Make cheques payable to "**Avanco Resources Limited - Placement Account**" in Australian currency and cross them "**Not Negotiable**". Cheques must be drawn on an Australian Bank. The amount of the cheque should agree with the amount shown on the Application Form.

### Declaration

Before completing the Application Form the Applicant(s) has read the Prospectus to which the application relates. The Applicant(s) agree(s) that this application is for Shares Avanco Resources Limited upon and subject to the terms of the Prospectus, agree(s) to take any number of Shares equal to or less than the number of Shares indicated on the front of the form that may be allotted to the Applicant pursuant to the Prospectus and declare(s) that all details and statements made are complete and accurate. It is not necessary to sign the Application form

If an Application Form is not completed correctly, or if the accompanying payment is for the wrong amount, it may still be accepted. Any decision of the Directors as to whether to accept an Application Form, and how to construe, amend or complete it, shall be final. An Application Form will not however, be treated as having offered to subscribe for more Shares than is indicated by the amount of the accompanying cheque.

**Forward your completed application together with the application money to:**

<i>Delivered to:</i>	<i>Mailed to:</i>
Computershare Investor Services Pty Ltd Level 2, Reserve Bank Building 45 St Georges Terrace PERTH WA 6000	Computershare Investor Services Pty Ltd GPO Box D182 PERTH WA 6840

**so that it is received by no later than 5:00pm (WST) on 15 August 2008.**