



**AVENUE RESOURCES
LIMITED**

ABN 12 143 303 388

Annual Report
30 June 2013

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CORPORATE DIRECTORY

Directors

Mr Anthony Polglase (Non-executive Chairman)

Mr Stephen Thompson (Managing Director)

Mr Luis Azevedo (Executive Director)

Mr Simon Mottram (Executive Director)

Mr Benjamin Dunn (Non-executive Director)

Mr Joseph Burke (Non-executive Director)

Company Secretary

Mr Scott Funston

Registered Office

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330 Churchill Avenue

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Share Registry

Computershare Investor Services Pty Ltd

Level 2

45 St Georges Terrace

Perth WA 6000

Telephone: +61 8 9323 2000

Facsimile: +61 8 9323 2033

Auditors

RSM Bird Cameron Partners

8 St Georges Terrace

Perth WA 6000 Australia

Stock Exchange

The Company's securities are quoted on the official list of the Australian Securities Exchange Limited, the home branch being Perth.

ASX Code: AVY

Directors' Report

The Directors present their report for Avenue Resources Limited ("Avenue" or "the Company") and its subsidiaries for the year ended 30 June 2013 ("the Group").

DIRECTORS

The names, qualifications and experience of the Company's Directors in office during the period and until the date of this report are as follows. Directors were in office for this entire period unless otherwise stated.

Mr Anthony Polglase

Non-Executive Chairman

With 30 years' multi-disciplined mining experience across ten different countries, Mr Polglase is qualified in mechanical and electrical engineering with an honours degree in Metallurgy from the Camborne School of Mines, UK and is fluent in Portuguese. Mr Polglase has acquired detailed knowledge relating to the development and operation of tin, gold, copper, lead, and zinc projects and has either been responsible for or closely involved with the commissioning of more than seven mining projects. Project management including critical evaluation, implementation and commissioning are Mr Polglase's strengths. Mr Polglase has a demonstrated ability of successfully bringing projects on line in the most challenging of environments.

Mr Polglase is a Director of Avanco Resources Limited (appointed 4 July 2007). Mr Polglase was previously a Director of Castillo Copper Limited (appointed 1 April 2010, resigned 19 November 2012) and Overland Resources Limited (appointed 17 January 2008, resigned 29 February 2012). He has not held any other listed Directorships over the past three years.

Mr Stephen Thompson (appointed 23 August 2013)

Managing Director

Mr. Thompson has 20 years of experience working in management consulting, fund management and investment banking within the Asia-Pacific Region. His expertise covers the areas of fund structuring, corporate advisory, asset acquisition & disposal due diligence and asset management. Mr. Thompson holds a Masters of Business Administration from the Australian Graduate School of Management, a Bachelor of Engineering (Honours) in Aeronautical Engineering from the University of Glasgow, UK and a Certificate of Real Estate Investment Finance from APREA Institute.

Mr Thompson has not held any other listed Directorships over the past three years.

Mr Luis Azevedo

Executive Director

Mr Azevedo is an outstanding resource industry professional with over 35 years of international experience. Mr Azevedo qualified as a geologist at the University of Rio de Janeiro in 1985, and subsequent to working as a geologist he completed a law degree at the University of Candido Mendes in 1992 and obtained his Masters of Law from Pontifical Catholic University Rio de Janeiro in 1994.

Mr Azevedo has held senior positions with major resource companies including Western Mining Corporation, Barrick Gold and Harsco. In 2004 he founded the very successful legal firm FFA Legal based in Rio de Janeiro, which provides specialist legal and technical support to resource companies operating in Brazil.

Mr Azevedo is also a Director of TSX listed companies Talon Metals (appointed 5 April 2005), Rio Verde Minerals (appointed 1 December 2010) and Brazilian Gold Corporation (appointed 22 June 2011), as well as ASX listed, Avanco Resources Limited (appointed 17 December 2012). He is based in Rio de Janeiro, Brazil and is a Brazilian citizen.

Directors' Report

Mr Simon Mottram

Executive Director

Mr Mottram is a geologist with over 18 years' experience in predominantly nickel sulphide, iron-oxide-copper-gold (IOCG) and precious metals. Having held senior management positions with a number of successful mining companies both in Australia and overseas, Mr Mottram has extensive knowledge in base and precious metal evaluations and has seen a number of discoveries advanced through to commercial mine development. His exploration experience aligns extremely well with Avenue's projects and is an expert in the application of modern exploration techniques.

Mr Mottram has a BSc degree in Applied Geology from RMIT University in Melbourne and is a Member of AusIMM. Mr Mottram is currently a Director of Avanco Resources Limited (appointed 18 January 2011). Mr Mottram has not held any other listed Directorships over the past three years.

Mr Benjamin Dunn

Non-Executive Director

Mr Dunn has an exceptional reputation in the Legal and Stock Broking vocations with 16 years of international experience covering the resource industry as an investment professional.

Mr Dunn qualified and practiced in law before going on to attain an MBA from the Melbourne Business School. Mr Dunn has since held senior positions with broking houses including BNP, Citigroup, JP Morgan and CLSA, becoming a specialist in capital raisings within the Asian region.

Mr Dunn currently resides in Singapore and is the Managing Director of unlisted IndoPacific Coal Limited.

Mr Joseph Burke (appointed 23 August 2013)

Non-Executive Director

Mr. Burke has over 22 years experience in business operations, management and project development within the Asia-Pacific region. He has an extensive background in business development with multi-national companies and was part of the team that sold Hunnu Coal Limited to Banpu in 2011 for approx. \$500M. Mr. Burke has assisted with the financial and operational assessment of new projects, coordinated due diligence activities and vendor negotiations across the Garrison Capital stable of companies. He holds an MBA from the Australian Graduate School of Management.

Mr Burke is the Chief Executive Officer of Voyager Resources Limited. Mr Burke has not held any other listed Directorships over the past three years.

Mr Scott Funston

Company Secretary

Mr Funston is a qualified Chartered Accountant and Company Secretary with more than 10 years' experience in the mining industry and the accounting profession. His expertise is financial management, regulatory compliance and corporate advice. Mr Funston possesses a strong knowledge of the Australian Securities Exchange requirements and currently assists or has previously assisted a number of resources companies operating throughout Australia, South America, Asia, USA and Canada with financial accounting, stock exchange compliance and regulatory activities.

Directors' Report

INTERESTS IN THE SECURITIES OF THE COMPANY

As at the date of this report, the interests of the Directors in the securities of Avenue Resources Limited are:

Director	Ordinary Shares	Options over Ordinary Shares exercisable at 25 cents each	Options over Ordinary Shares exercisable at 5 cents each
A. Polglase	5,421,445	-	-
L. Azevedo	100,000	1,000,000	-
S. Mottram	3,050,000	-	-
B. Dunn	100,000	-	-
S. Thompson	-	-	6,000,000
J. Burke	300,000	-	-

RESULTS OF OPERATIONS

The Group's net loss after taxation attributable to the members of Avenue Resources for the year to 30 June 2013 was \$7,914,901 (2012: \$3,301,732) and the net assets of the Group at 30 June 2013 was \$1,732,635 (2012: \$9,385,294).

DIVIDENDS

No dividend was paid or declared by the Group in the year and up to the date of this report.

CORPORATE STRUCTURE

Avenue Resources Limited is a company limited by shares, which is incorporated and domiciled in Australia.

NATURE OF OPERATIONS AND PRINCIPAL ACTIVITIES

During the financial year, the principal activity was mineral exploration. The Group currently holds exploration projects in Brazil.

REVIEW OF OPERATIONS

HIGHLIGHTS:

- Acquisition of the Brazil Azul Tin Project in Brazil (the "Project") which covers 671 hectares with good infrastructure and access;
- An initial 2,000m drilling programme will commence in Q4 2013 after the ground preparation work has completed;
- Acquisition of Lotus Mining Pty Ltd ("Lotus"), an unlisted tin explorer focused in Myanmar; and
- Post acquisition of Lotus an increase in cash reserves of ~\$650,000.

ACQUISITION OF LOTUS

In August 2013 Avenue acquired 100% of the issued share capital (40 million ordinary shares) of Lotus, an unlisted tin explorer focused in Myanmar. Lotus shareholders accepted 1 (one) Avenue Share for every 2 (two) Lotus Shares in an all scrip transaction.

Mr Stephen Thompson, Managing Director of Lotus, was appointed Managing Director of the merged Company. Mr Tony Polglase, Non-Executive Chairman and Mr Simon Mottram, Executive Director of Exploration remain on the Board of Directors.

AZUL TIN PROJECT

The Project is located in the southern portion of Tocantins State, close to the border with Goiás State in the central province of Brazil. It is located 20 kilometres southwest of the town of Palmeirópolis which has approximately 7,500 inhabitants and

Directors' Report

good infrastructure. Palmeirópolis is 430 kilometres from Brasilia by road. Alternatively, the nearest airport is located 70 kilometres by road in the town of Minacu. Minacu is a one hour flight from Brasilia. The Project comprises a mining concession ("License") which covers 671 hectares and the mineral rights are in good standing.

Approximately 85% of the License lies within the Serra Dourada Massif which is a granite belonging to the Goiás Tin Province. The granite occurs at the centre of an anticline structure forming an elongated body extending for 65 kilometres in a north – south direction. Tin mineralisation in the License area occurs on the western side of the granite.

Ore comprises of quartz gneiss with mica, Cassiterite (tin mineral) and sulphides (pyrite and chalcopyrite). Dipping at a shallow angle (30°) into the host granite, this style of tin mineralisation is not restricted to the exterior of the granite, and can continue deep into the granite (unlike greisen styles). As stated it is still open at depth.

Historical Work

Historical work was primarily confined to two artisan pits, approximately 200m apart. The South and North Pits extend along the North–South axis and are 65 and 30 metres in length respectively. In addition, there are smaller excavations that extend for approximately 60 metres in the north and south direction from the North Pit indicating an extension of the mineralization zone.

The following work was undertaken between 1981 and 1985:

- Mapping
- Topographic survey
- Heavy minerals concentrate
- Geophysical survey
- Channel sampling
- Diamond drilling (45 shallow holes)
- Mineral Resources & Reserves Estimation
- Mineralogical/Petrographic study
- Metallurgical test work and bulk sampling

Early drilling was limited to shallow holes collared around two proximal artisanal pits. High grade tin mineralisation was intersected with sufficient resources delineated to justify project development¹. Historical diamond drilling results included²

- 8.98m @ 1.00% Tin from 12.42 metres
- 2.53m @ 4.29% Tin from 25.27metres
- 5.52m @ 1.41% Tin from 19.07metres

The best results from channel sampling of the exposed orebody in the two pits included²:

- South Pit: 5.00 metres @ 1.53% Tin
- North Pit: 8.12m metres @ 1.79% Tin

Based on the historical work completed, an exploration target³ (Non JORC compliant) of between 3 and 5 million tonnes at between 0.8 and 1.2% Tin for 24,000 to 60,000 tonnes of Tin metal.

¹ As approved by the Brazilian Mining Department

² All historic information sourced from original reports provided by owner's archives.

³ This work has not resulted in the definition of any resource, which is compliant with the JORC Code but has identified an Exploration Target. With further exploration, this target has potential for between 2Mt to 5Mt of mineralisation at a grade of 0.8 to 1.2% Tin within the drilled and surrounding area. Target tonnages and grades contained herein are conceptual in nature and may or may not be realised through completion of further exploration and other studies on the targets described. As such, it is uncertain if further exploration will result in the determination of tonnages and grades that conform to mineral resources or ore reserves under the JORC code. Further Avenue Resources cautions that in order to achieve this target, substantial exploration is required to further geologically map, detect, trench and drill test the defined conceptual target. On this basis, Avenue Resources considers that further work is warranted beyond that previously conducted.

Directors' Report

In 1985, the DNPM⁴ approved the Resource Estimate and consequently granting the Mining (Concession) License. The Brazilian owners also presented a Preliminary Economic Assessment including mine designs for the development of an underground mining operation^{1,3}.

Mineralogical characterisation and metallurgical testing in the early 1980s indicate that the Project does not present beneficiation difficulties and that a recovery rate of circa 70% was demonstrated using only traditional gravity concentration methods. A recent technical report, completed by an independent geologist, recommends future testing to trial tin flotation after gravity methods to improve the tin recovery ratio. In addition, testing identified the presence of Rare Earth Elements and tantalite which were not assayed. Avenue will also assay for these minerals to check for the possibility of by-product revenue streams.

Furthermore, heavy mineral concentrate sampling identified a second anomalous zone to the west of the main Project site. Although historical data shows that this western zone was worked by artisanal miners, it remains untested by modern exploration techniques and therefore the potential for further tin discoveries is high.

Key Financial Terms

The key financial terms for the Azul Tin Project acquisition include:

1. US\$100,000 – already paid
2. After 1 year - US\$250,000 plus 2,000metres of drilling
3. After 2 years -US\$500,000 plus 3,000metres of drilling
4. After 3 years and 10,000m of drilling, Avenue can elect to complete the transaction for ownership of 100% of the project with a final payment of US\$3M
5. The underlying owner to retain a 2% NSR production royalty

Drill Program Preparation

Since acquiring the Project, ground preparation work has already commenced and includes relocation and survey of historic drill collars, regional mapping as well as soil sampling. The soil sampling was completed on 80metre spaced lines up to 980metre long, for a total of 243 samples. Line based regional mapping was completed along the soil sampling lines. Further work defining strike extensions and identifying drill targets is on-going. An access agreement has been signed. The initial drill programme is expected to take approximately three months to complete.

SAO LOURENCO PROJECT (SLT)

Located 200 kilometre from Porto Velho in Rondonia, Sao Lourenco is reported to be one of Brazil's largest tin producing districts. Avenue owns the rights to 100% of SLT.

Work on the Sao Lourenco has slowed down as priorities and geological resources are directed to the Azul Tin project.

NORTH BRAZILIAN TIN (NBT)

Following completion of field evaluations and in the interest of conserving cash for the pending Azul Tin activities the Company dropped the North Brazilian Tin Project. Field recognisance did not reveal any Tin potential that warrants further work.

CORPORATE

Avenue is in a strong financial position with ~\$1.5m at bank at year end. Having already established itself as a leading Brazilian Tin explorer, the Company is regularly presented with new opportunities, some deserving closer evaluation.

⁴ As approved by the Brazilian Mining Department.

Directors' Report

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

On 11 June 2013 the Company announced that it had entered into an implementation agreement to merge with Lotus Mining Pty Ltd (Lotus) by acquiring 100% of the issued capital in Lotus. Lotus has developed a number of strong relationships and acquisition opportunities in the tin sector of Myanmar. On 23 August 2013 the Company completed the acquisition of Lotus through the issue of 20m ordinary shares to Lotus vendors. The acquisition results in an increase in the cash position of the Company of approximately \$650,000 and the Company acquiring a number of exciting potential acquisition opportunities in Myanmar.

There were no other significant changes in the state of affairs of the Company during the period.

SIGNIFICANT EVENTS AFTER THE BALANCE DATE

On 23 August 2013 the Company completed the acquisition of Lotus Mining Pty Ltd following shareholder approval being obtained on 16 August 2013. The acquisition resulted in 20,000,000 ordinary shares being issued to the Vendors of Lotus. The Company also issued 1,000,000 ordinary shares to Garrison Capital for their role as corporate advisors to the transaction and 6,000,000 unlisted options to Mr Stephen Thompson as incentive based remuneration following his appointment as Managing Director.

There were no other known significant events from the end of the financial year to the date of this report.

LIKELY DEVELOPMENTS AND EXPECTED RESULTS OF OPERATIONS

The Directors have excluded from this report any further information on the likely developments in the operations of the Company and the expected results of those operations in future financial years, as the Directors believe that it would be speculative and prejudicial to the interests of the Company.

ENVIRONMENTAL REGULATIONS AND PERFORMANCE

The Group carries out operations that are subject to environmental regulations under legislation in Brazil. The Group has formal procedures in place to ensure regulations are adhered to. The Group is not aware of any breaches in relation to environmental matters.

SHARE OPTIONS

As at the date of this report, there were 25,700,000 unissued ordinary shares under options (19,700,000 at the reporting date). The details of the options at the date of this report are as follows:

Number	Exercise Price \$	Expiry Date
1,500,000	0.25	30 June 2014
1,200,000	0.35	30 July 2014
3,000,000	0.25	15 September 2014
12,000,000	0.25	30 June 2015
2,000,000	0.25	31 March 2015
6,000,000	0.05	31 December 2015
25,700,000		

No option holder has any right under the options to participate in any other share issue of the company or any other entity.

On 26 August 2013, 6,000,000 options with an exercise price of \$0.05 and an expiry of 31 December 2015 were issued.

No other options were exercised during or since the end of the financial year and no options have lapsed during or since the end of the financial year.

Directors' Report

INDEMNIFICATION AND INSURANCE OF DIRECTORS AND OFFICERS

The Company has made an agreement indemnifying all the Directors and officers of the Company against all losses or liabilities incurred by each Director or officer in their capacity as Directors or officers of the Company to the extent permitted by the Corporations Act 2001. The indemnification specifically excludes wilful acts of negligence. The Company paid insurance premiums in respect of Directors' and Officers' Liability Insurance contracts for current officers of the Company, including officers of the Company's controlled entities. The liabilities insured are damages and legal costs that may be incurred in defending civil or criminal proceedings that may be brought against the officers in their capacity as officers of entities in the Group. The total amount of insurance premiums paid has not been disclosed due to confidentiality reasons.

DIRECTORS' MEETINGS

During the financial year, in addition to regular Board discussions, the number of meetings of directors held during the year and the number of meetings attended by each director were as follows:

Director	Number of Meetings Eligible to Attend	Number of Meetings Attended
Mr Anthony Polglase	2	2
Mr Luis Azevedo	2	-
Mr Simon Mottram	2	2
Mr Benjamin Dunn	2	2

PROCEEDINGS ON BEHALF OF COMPANY

No person has applied for leave of court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings. The Company was not a party to any such proceedings during the year.

CORPORATE GOVERNANCE

In recognising the need for the highest standards of corporate behaviour and accountability, the Directors of Avenue Resources Limited support and have adhered to the principles of sound corporate governance. The Board recognises the recommendations of the Australian Securities Exchange Corporate Governance Council, and considers that Avenue Resources is in compliance with those guidelines to the extent possible, which are of importance to the commercial operation of a junior listed resources company. During the financial year, shareholders continued to receive the benefit of an efficient and cost-effective corporate governance policy for the Company. The Company's Corporate Governance Statement and disclosures are contained elsewhere in the annual report.

AUDITOR INDEPENDENCE

Section 307C of the Corporations Act 2001 requires the Company's auditors to provide the Directors of Avenue Resources with an Independence Declaration in relation to the audit of the full year financial report. A copy of that declaration is included within this report.

NON-AUDIT SERVICES

The Company did not engage their auditors to perform any non-audit related services during the period. The directors are satisfied that the provision of non-audit services is compatible with the general standards of independence for auditors imposed by the Corporations Act 2001.

REMUNERATION REPORT (AUDITED)

This report outlines the remuneration arrangements in place for directors and executives of Avenue Resources Limited in accordance with the requirements of the *Corporation Act 2001* and its Regulations. For the purpose of this report, Key Management Personnel (KMP) of the Company are defined as those persons having authority and responsibility for planning, directing and controlling the major activities of the Group, directly or indirectly, including any director (whether executive or otherwise) of the Group, and includes the executives in the Company receiving the highest remuneration.

Directors' Report

Details of Key Management Personnel

Mr Anthony Polglase	Non-Executive Chairman
Mr Stephen Thompson	Managing Director (appointed 23 August 2013)
Mr Luis Azevedo	Executive Director
Mr Simon Mottram	Executive Director
Mr Benjamin Dunn	Non-Executive Director
Mr Joseph Burke	Non-Executive Director (appointed 23 August 2013)
Mr Scott Funston	Company Secretary

Remuneration Policy

The Board is responsible for determining and reviewing compensation arrangements for the Directors. The Board assesses the appropriateness of the nature and amount of emoluments of such officers on a periodic basis by reference to relevant employment market conditions with the overall objective of ensuring maximum stakeholder benefit from the retention of a high quality board and executive team. The Group does not link the nature and amount of the emoluments of such officers to the Group's financial or operational performance. The expected outcome of this remuneration structure is to retain and motivate Directors.

As part of its Corporate Governance Policies and Procedures, the Board has adopted a formal Remuneration Committee Charter. Due to the current size of the Group and number of directors, the Board has elected not to create a separate Remuneration Committee but has instead decided to undertake the function of the Committee as a full Board under the guidance of the formal charter.

The rewards for Directors have no set or pre-determined performance conditions or key performance indicators as part of their remuneration due to the current nature of the business operations. The Board determines appropriate levels of performance rewards as and when they consider rewards are warranted. The Group has no policy on executives and directors entering into contracts to hedge their exposure to options or shares granted as part of their remuneration package.

The table below shows the performance of the Group as measured by loss per share since incorporation in April 2010:

As at 30 June	2013	2012	2011	2010
	\$	\$	\$	\$
Loss per share (cents)	(14.28)	(9.39)	(0.9926)	(0.1159)

Details of the nature and amount of each element of the emoluments of each Director and Executive of the Group for the financial year are as follows:

2013 Director	Short term			Options	Post employment	Total \$	Option Related %
	Base Salary \$	Directors Fees \$	Consulting Fees \$	Share based Payments \$	Superannuation \$		
Mr Polglase	-	-	100,000	-	-	100,000	-
Mr Azevedo	-	40,000	4,994	103,857	-	148,851	70%
Mr Mottram	-	-	100,000	-	-	100,000	-
Mr Dunn	-	30,000	-	-	-	30,000	-
Company Secretary Mr Funston	-	-	90,000	-	-	90,000	-
	-	70,000	294,994	103,857	-	468,851	

Directors' Report

	Short term			Options	Post employment		
2012	Base Salary	Directors Fees	Consulting Fees	Share based Payments	Superannuation	Total	Option Related
Director	\$	\$	\$	\$	\$	\$	%
Mr Polglase (a)	-	-	41,667	-	-	41,667	-
Mr Azevedo (a)	-	11,667	-	57,036	-	68,703	83%
Mr Mottram (a)	-	-	41,667	-	-	41,667	-
Mr Dunn (a)	-	8,750	-	-	-	8,750	-
Mr O'Loughlin (b)	29,167	-	-	-	2,625	31,792	-
Mr Evans (b)	-	14,583	-	-	-	14,583	-
Mr Cawley (b)	-	15,625	-	-	-	15,625	-
Company Secretary							
Mr Funston (a)	-	-	37,500	-	-	37,500	-
Mr Stephenson (b)	-	-	52,500	-	-	52,500	-
	29,167	50,625	173,334	57,036	2,625	312,787	

(a) Mr Polglase, Mr Mottram and Mr Funston were appointed on 1 February 2012. Mr Azevedo and Mr Dunn were appointed on 15 March 2012.

(b) Mr Evans, Mr Cawley and Mr Stephenson resigned on 1 February 2012. Mr O'Loughlin resigned on 15 March 2012.

There were no other executive officers of the Group during the financial years ended 30 June 2013 and 30 June 2012. No remuneration is performance related. The terms and conditions of each grant of options that had been issued as at 30 June 2013 affecting remuneration in the previous, this or future reporting periods are as follows:

	Grant date	Grant number	First exercise date	Expiry date / last exercise date	Value per option at grant date	Value of options	Exercise price	No. Vested
Director								
Mr Azevedo	17/02/2012	1,000,000	01/03/2013	31/03/2015	\$0.161	160,893	\$0.25	1,000,000

The share options issued to Mr Azevedo were not subject to a performance hurdle as these options were issued as a form of retention bonus and incentive package. The Options vested on 1 March 2013. On resignation, any unvested options will be forfeited. The Options have been valued using the Black-Scholes option pricing model, which takes account of factors such as the option exercise price, the current level and volatility of the underlying share price and the time to maturity of the option. Options granted under the plan carry no dividend or voting rights.

There were no alterations to the terms and conditions of options granted as remuneration since their grant date. There were no forfeitures during the period. No remuneration options were exercised for the year ended 30 June 2013 or for the year ended 30 June 2012.

Executive Directors

The Executive Director, Mr Mottram is paid an annual consulting fee on a monthly basis. Under the agreement Mr Mottram is to be paid \$100,000 per annum. The agreement commenced on 1 February 2012 and is for a term of two years unless extended by both parties. Mr Mottram may terminate the agreement by giving three months' written notice. The Company may terminate the agreement by giving three months' written notice or by paying an amount equivalent to three months' fees.

Directors' Report

The Executive Director, Mr Azevedo is paid an annual consulting fee on a monthly basis. The services may be terminated by either party at any time.

Non Executive Director

The Non Executive Directors, Mr Polglase and Mr Dunn, are paid an annual consulting fee on a monthly basis. Their services may be terminated by either party at any time.

The Company Secretary, Mr Funston, is remunerated on a monthly basis. The services may be terminated by either party at any time.

Service Agreements

The Group has entered into a service agreement for certain administrative services and office space for a term of two years and for the provision of corporate advisory services for a term of two years with Garrison Capital Pty Ltd. The Group is required to give three months' written notice to terminate the agreement. Mr Funston is a director and shareholder of Garrison Capital.

END OF REMUNERATION REPORT

Signed on behalf of the board in accordance with a resolution of the Directors.



Anthony Polglase

Chairman

Perth

29 August 2013

Competent Person Statement

The information in this report that relates to Mineral Resources and 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 a Director of Avenue Resources Limited. 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 as defined in the 2004 Edition of the '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.

CORPORATE GOVERNANCE STATEMENT

The Board of Directors of Avenue Resources Limited (“Avenue Resources” or “the Company”) is responsible for corporate governance of the Company. The Board guides and monitors the business and affairs of the Company on behalf of the shareholders by whom they are elected and to whom they are accountable.

Upon listing, the Company established a set of corporate governance policies and procedures. These were based on the Australian Securities Exchange Corporate Governance Council’s (the Council’s) “Principles of Good Corporate Governance and Best Practice Recommendations” (the Recommendations). In accordance with the Council’s recommendations, the Corporate Governance Statement must now contain certain specific information and must disclose the extent to which the company has followed the guidelines during the period. Where a recommendation has not been followed, that fact must be disclosed, together with the reasons for the departure. For further information on corporate governance policies adopted by the Company, refer to our website: www.avenueresources.com.au.

Structure of the Board

The skills, experience and expertise relevant to the position of Director held by each Director in office at the date of the annual report is included in the Directors’ Report. Directors of the Company are considered to be independent when they are independent of management and free from any business or other relationship that could materially interfere with, or could reasonably be perceived to materially interfere with, the exercise of their unfettered and independent judgement.

The Board has accepted the following definition of an Independent Director:

“An Independent Director is a Director who is not a member of management, is a Non-executive Director and who:

- is not a substantial shareholder (under the meaning of Corporations Law) of the Company or an officer of, or otherwise associated, directly or indirectly, with a substantial shareholder of the Company;
- has not within the last three years been employed in an executive capacity by the Company or another Company member, or been a Director after ceasing to hold any such employment;
- is not a principal of a professional adviser to the Company or another Company member;
- is not a significant consultant, supplier or customer of the Company or another Company member, or an officer of or otherwise associated, directly or indirectly, with a significant consultant, supplier or customer;
- has no significant contractual relationship with the Company or another Company member other than as a Director of the Company;
- is free from any interest and any business or other relationship which could, or could reasonably be perceived to, materially interfere with the Director’s ability to act in the best interests of the Company.”

In accordance with the definition of independence above, Mr. Benjamin Dunn and Mr. Joseph Burke are considered Independent Director’s. Accordingly, the majority of the board is not considered independent.

There are procedures in place, as agreed by the board, to enable Directors to seek independent professional advice on issues arising in the course of their duties at the company’s expense. The term in office held by each Director in office at the date of this report is as follows:

Name	Term in office
Anthony Polglase	1 year and 7 months
Luis Azevedo	1 year and 6 months
Simon Mottram	1 year and 7 months
Benjamin Dunn	1 year and 6 months
Stephen Thompson	1 month
Joseph Burke	1 month

CORPORATE GOVERNANCE STATEMENT

Nomination Committee

The Board has formally adopted a Nomination Committee Charter, but given the present size of the Company, has not formed a separate Committee. Instead the function will be undertaken by the full Board in accordance with the policies and procedures outlined in the Nomination Committee Charter. At such time as the Company is of sufficient size, a separate Nomination Committee will be formed.

Audit and Risk Management Committee

The Board has formally adopted an Audit and Risk Management Committee Charter, but given the present size of the Company, has not formed a separate Committee. Instead the function of the Committee will be undertaken by the full Board in accordance with the policies and procedures outlined in the Audit and Risk Management Committee Charter. At such time as the Company is of sufficient size a separate Audit and Risk Management Committee will be formed.

It is the Board's responsibility to ensure that an effective internal control framework exists within the Group. This includes both internal controls to deal with both the effectiveness and efficiency of significant business processes, the safeguarding of assets, the maintenance of proper accounting records, and the reliability of financial and non-financial information. It is the Board's responsibility for the establishment and maintenance of a framework of internal control of the Group.

Performance

The Board of Avenue Resources conducts its performance review of itself on an ongoing basis throughout the year. The small size of the company and hands-on management style requires an increased level of interaction between directors and executives throughout the year. Board members meet amongst themselves both formally and informally. The Board considers the current approach that it has adopted with regard to the review of its performance provides the best guidance and value to the Company.

Remuneration

It is the company's objective to provide maximum stakeholder benefit from the retention of a high quality board by remunerating directors fairly and appropriately with reference to relevant employment market conditions. The Company does not link the nature and amount of executive and directors' emoluments to the company's financial and operational performance.

For details of remuneration of Directors and Executives please refer to the Directors' Report.

The Board is responsible for determining and reviewing compensation arrangements for executive directors. The Board has formally adopted a Remuneration Committee Charter, however, given the present size of the Company, has not formed a separate Committee. Instead the function will be undertaken by the full Board in accordance with the policies and procedures outlined in the Remuneration Committee Charter. At such time as the Company is of sufficient size, a separate Remuneration Committee will be formed.

There is no scheme to provide retirement benefits, other than statutory superannuation.

Diversity Policy

The company is committed to workplace diversity and to ensuring a diverse mix of skills and talent exists amongst its directors, officers and employees, to enhance Company performance. The Board has adopted a Diversity Policy which addresses equal opportunities in the hiring, training and career advancement of directors, officers and employees.

CORPORATE GOVERNANCE STATEMENT

In accordance with this policy, the Board provides the following information pertaining to the proportion of women across the organisation at the date of this report.

	Actual	
	Number	Percentage
Women in the whole organisation	-	-
Women in senior executive positions	-	-
Women on the board	-	-

Trading Policy

Under the Company's securities trading policy, an executive or director must not trade in any securities of the Company at any time when they are in possession of unpublished, price-sensitive information in relation to those securities.

Before commencing to trade, an executive must first obtain the approval of the Managing Director to do so and a Director must first obtain approval of the Chairman. Only in exceptional circumstances will approval be forthcoming inside of the period commencing on the tenth day of the month in which the Company is required to release its Quarterly Activities Report and Quarterly Cashflow Report and ending two days following the date of that release.

Assurance

The CEO and CFO (or equivalent) periodically provide formal statements to the Board that in all material aspects:

- the Company's consolidated financial statements present a true and fair view of the Group's financial condition and operational results; and
- the risk management and internal compliance and control systems are sound, appropriate and operating efficiently and effectively.

This assurance forms part of the process by which the Board determines the effectiveness of its risk management and internal control systems in relation to financial reporting risks.

Shareholder Communication Policy

Pursuant to Principle 6, the Company's objective is to promote effective communication with its shareholders at all times.

Avenue Resources Limited is committed to:

- Ensuring that shareholders and the financial markets are provided with full and timely information
- Complying with continuous disclosure obligations contained in the ASX listing rules and the *Corporations Act* in Australia
- Communicating effectively with its shareholders and making it easier for shareholders to communicate with the Company

To promote effective communication with shareholders and encourage effective participation at general meetings, information is communicated to shareholders:

- Through the release of information to the market via the ASX
- Through the distribution of the annual report and notices of annual general meeting
- Through shareholder meetings and investor relations presentations
- Through letters and other forms of communications directly to shareholders
- By posting relevant information on the Company's website: www.avenueresources.com.au

The external auditors are required to attend the annual general meeting and are available to answer any shareholder questions about the conduct of the audit and preparation of the audit report.

CORPORATE GOVERNANCE STATEMENT

Corporate Governance Compliance

During the financial year, Avenue Resources has complied with each of the 8 Corporate Governance Principles and the corresponding Best Practice Recommendations, other than in relation to the matters specified below:

Best Practice Recommendation	Notification of Departure	Explanation of Departure
2.1	The Company does not have a majority of independent directors	The Directors consider that the current structure and composition of the Board is appropriate to the size and nature of operations of the Company.
2.2	The Chairman is not an independent director	The Directors consider that the current structure and composition of the Board is appropriate to the size and nature of operations of the Company.
2.4	The Group does not have a Nomination Committee	The role of the Nomination Committee has been assumed by the full Board operating under the Nomination Committee Charter adopted by the Board.
3.3	The Company has not disclosed in its annual report its measurable objectives for achieving gender diversity and progress towards achieving them.	The Board continues to monitor diversity across the organisation and is satisfied with the current level of gender diversity within the Company as disclosed above. Due to the size of the company the Board does not consider it appropriate at this time to formally set measurable objectives for gender diversity.
4.1 and 4.2	The Group does not have an Audit and Risk Management Committee	The role of the Audit and Risk Management Committee has been assumed by the full Board operating under the Audit and Risk Management Committee Charter adopted by the Board.
8.1	The Group does not have a Remuneration Committee	The role of the Remuneration Committee has been assumed by the full Board operating under the Remuneration Committee Charter adopted by the Board.

Avenue Resources Limited

Consolidated Statement of Comprehensive Income for the year ended 30 June 2013

	Notes	Consolidated	
		2013	2012
		\$	\$
Revenue			
Interest income		94,174	127,540
Other income		395	-
Revenue		94,569	127,540
Public company costs		(42,708)	(30,518)
Accounting and audit fees		(66,684)	(55,619)
Consultant and directors' fees		(418,853)	(295,646)
Legal fees		(3,057)	(115,128)
Share based payments	23	(207,715)	(2,291,652)
Travel expenses		(9,868)	(26,936)
Impairment of exploration expenditure	10	(7,106,165)	(534,412)
Other expenses	4	(154,420)	(79,361)
Loss from continuing operations before income tax		(7,914,901)	(3,301,732)
Income tax expense	5	-	-
Loss from continuing operations after income tax		(7,914,901)	(3,301,732)
Net loss for the year		(7,914,901)	(3,301,732)
Other Comprehensive income/(loss)			
<i>Item that may be reclassified subsequently to operating result</i>			
Foreign currency translation		54,527	(59,881)
Other comprehensive income/(loss) for the year		54,527	(59,881)
Total comprehensive income/(loss) for the year		(7,860,374)	(3,361,613)
Loss per share attributable to owners of Avenue Resources Limited			
Basic and diluted loss per share (cents per share)	20	(14.28)	(9.39)

Avenue Resources Limited

Consolidated Statement of Financial Position as at 30 June 2013

	Notes	Consolidated	
		2013	2012
		\$	\$
CURRENT ASSETS			
Cash and cash equivalents	6	1,476,412	3,124,945
Trade and other receivables	7	26,952	47,085
TOTAL CURRENT ASSETS		1,503,364	3,172,030
NON-CURRENT ASSETS			
Plant and equipment	9	33,388	6,046
Deferred exploration and evaluation expenditure	10	276,393	6,327,450
TOTAL NON-CURRENT ASSETS		309,781	6,333,496
TOTAL ASSETS		1,813,145	9,505,526
CURRENT LIABILITIES			
Trade and other payables	11	80,510	120,232
TOTAL CURRENT LIABILITIES		80,510	120,232
TOTAL LIABILITIES		80,510	120,232
NET ASSETS		1,732,635	9,385,294
EQUITY			
Issued capital	12	10,554,368	10,554,368
Reserves	13	2,652,233	2,389,991
Accumulated losses	14	(11,473,966)	(3,559,065)
TOTAL EQUITY		1,732,635	9,385,294

Avenue Resources Limited

Consolidated Statement of Cash Flows for the year ended 30 June 2013

		Consolidated	
	Notes	2013	2012
		\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES			
Payments to suppliers and employees		(693,397)	(569,400)
Interest received		105,255	110,377
Other receipts		395	-
		<hr/>	<hr/>
NET CASH USED IN OPERATING ACTIVITIES	6	(587,747)	(459,023)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of plant and equipment		(41,570)	(6,419)
Expenditure on exploration and evaluation expenditure		(1,019,216)	(923,855)
		<hr/>	<hr/>
NET CASH USED IN INVESTING ACTIVITIES		(1,060,786)	(930,274)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of shares		-	2,000,000
Share issue costs		-	(133,746)
		<hr/>	<hr/>
NET CASH FROM FINANCING ACTIVITIES		-	1,866,254
Net (decrease) / increase in cash held		(1,648,533)	476,957
Cash and cash equivalents at beginning of year		3,124,945	2,647,988
		<hr/>	<hr/>
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR	6	1,476,412	3,124,945

Avenue Resources Limited

Consolidated Statement of Changes in Equity for the year ended 30 June 2013

Consolidated	Issued capital \$	Accumulated losses \$	Foreign Currency Translation Reserve \$	Share based payment reserves \$	Total \$
At 1 July 2012	10,554,368	(3,559,065)	(59,881)	2,449,872	9,385,294
Loss for the year	-	(7,914,901)	-	-	(7,914,901)
Other comprehensive income	-	-	54,527	-	54,527
Total comprehensive income / (loss)	-	(7,914,901)	54,527	-	(7,860,374)
Transactions with owners in their capacity as owners					
Share based payments	-	-	-	207,715	207,715
At 30 June 2013	10,554,368	(11,473,966)	(5,354)	2,657,587	1,732,635
At 1 July 2011	2,927,113	(257,333)	-	398,220	3,068,000
Loss for the year	-	(3,301,732)	-	-	(3,301,732)
Other comprehensive loss	-	-	(59,881)	-	(59,881)
Total comprehensive loss	-	(3,301,732)	(59,881)	-	(3,361,613)
Transactions with owners in their capacity as owners					
Issue of ordinary shares	7,520,000	-	-	-	7,520,000
Share based payments	240,000	-	-	2,051,652	2,291,652
Transaction costs on share issue	(132,745)	-	-	-	(132,745)
At 30 June 2012	10,554,368	(3,559,065)	(59,881)	2,449,872	9,385,294

Avenue Resources Limited

Notes to the financial statements at and for the year ended 30 June 2013

1. Corporate Information

The financial report of Avenue Resources Limited (“Avenue Resources” or “the Company”) and its controlled entities (“the Group”) for the year ended 30 June 2013 was authorised for issue in accordance with a resolution of the directors on 29 August 2013.

Avenue Resources Limited is a company limited by shares incorporated in Australia whose shares are publicly traded on the Australian Securities Exchange.

The nature of the operations and the principal activities of the Group are described in the Directors’ Report.

2. Summary of Significant Accounting Policies

(a) Basis of Preparation

The financial report is a general-purpose financial report, which has been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001. The Group is a for profit entity for financial reporting purposes under Australian Accounting Standards.

The financial report has been prepared on an accrual basis and is based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities. Material accounting policies adopted in preparation of this financial report are presented below and have been consistently applied unless otherwise stated.

The presentation currency is Australian dollars.

(b) Compliance statement

The financial report complies with Australian Accounting Standards as issued by the Australian Accounting Standards Board and International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board.

(c) New accounting standards and interpretations issued but yet effective

The following applicable accounting standards and interpretations have been issued or amended but are not yet effective. These standards have not been adopted by the Group for the year ended 30 June 2013 and no change to the Group’s accounting policy is required.

Reference	Title	Summary	Impact on Group’s financial report	Application date for Group
AASB 9	Financial Instruments	<p>AASB 9 includes requirements for the classification and measurement of financial assets. It was further amended by AASB 2010-7 to reflect amendments to the accounting for financial liabilities.</p> <p>These requirements improve and simplify the approach for classification and measurement of financial assets compared with the requirements of AASB 139. The main changes are described below.</p> <p>(a) Financial assets that are debt instruments will be classified based on (1) the objective of the entity’s business model for managing the financial assets; (2) the characteristics of the contractual cash flows.</p> <p>(b) Allows an irrevocable election on initial recognition to present gains and losses on investments in equity instruments that are not held for trading in other</p>	<p>The Group has not yet determined the impact on the Group’s financial statements.</p>	1 July 2015

Reference	Title	Summary	Impact on Group's financial report	Application date for Group
		<p>comprehensive income. Dividends in respect of these investments that are a return on investment can be recognised in profit or loss and there is no impairment or recycling on disposal of the instrument.</p> <p>(c) Financial assets can be designated and measured at fair value through profit or loss at initial recognition if doing so eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities, or recognising the gains and losses on them, on different bases.</p> <p>(d) Where the fair value option is used for financial liabilities the change in fair value is to be accounted for as follows:</p> <ul style="list-style-type: none"> ▶ The change attributable to changes in credit risk is presented in other comprehensive income (OCI) ▶ The remaining change is presented in profit or loss <p>If this approach creates or enlarges an accounting mismatch in the profit or loss, the effect of the changes in credit risk are also presented in profit or loss.</p> <p>Consequential amendments were also made to other standards as a result of AASB 9, introduced by AASB 2009-11 and superseded by AASB 2010-7 and 2010-10.</p>		
AASB 10	Consolidated Financial Statements	<p>AASB 10 establishes a new control model that applies to all entities. It replaces parts of AASB 127 <i>Consolidated and Separate Financial Statements</i> dealing with the accounting for consolidated financial statements and UIG-112 <i>Consolidation – Special Purpose Entities</i>.</p> <p>The new control model broadens the situations when an entity is considered to be controlled by another entity and includes new guidance for applying the model to specific situations, including when acting as a manager may give control, the impact of potential voting rights and when holding less than a majority voting rights may give control.</p> <p>Consequential amendments were also made to other standards via AASB 2011-7.</p>	The Group has not yet determined the impact on the Group's financial statements.	1 July 2013
AASB 12	Disclosure of Interests in Other Entities	<p>AASB 12 includes all disclosures relating to an entity's interests in subsidiaries, joint arrangements, associates and structured entities. New disclosures have been introduced about the judgments made by management to determine whether control exists, and to require summarised information about joint arrangements, associates and structured entities and subsidiaries with non-controlling interests.</p>	The Group has not yet determined the impact on the Group's financial statements.	1 July 2013
AASB 13	Fair Value Measurement	<p>AASB 13 establishes a single source of guidance for determining the fair value of assets and liabilities. AASB 13 does not change when an entity is required to use fair value, but rather, provides guidance on how to determine fair value when fair value is required or permitted. Application of this definition may result in different fair values being determined for the relevant assets.</p> <p>AASB 13 also expands the disclosure</p>	The Group has not yet determined the impact on the Group's financial statements.	1 July 2013

Avenue Resources Limited

Notes to the financial statements at and for the year ended 30 June 2013

Reference	Title	Summary	Impact on Group's financial report	Application date for Group
		requirements for all assets or liabilities carried at fair value. This includes information about the assumptions made and the qualitative impact of those assumptions on the fair value determined. Consequential amendments were also made to other standards via AASB 2011-8.		
AASB 124	Related Party Disclosures	AASB 124 establishes guidance for disclosure of related party transactions and outstanding balances that could impact on an entity's financial position and profit or loss. Amendment AASB 2011-4 removes the disclosure requirements for individual key management personnel. The adoption of these amendments will remove the duplication of information relating to individual KMP in the notes to the financial statements and the directors report.	The Group has not yet determined the impact on the Group's financial statements.	1 July 2013

The Group has not elected to early adopt any new Standards or Interpretations.

(d) Changes in accounting policies and disclosures

In the year ended 30 June 2013, the Group has reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to its operations and effective for the current annual reporting period.

It has been determined by the Group that there is no impact, material or otherwise, of the new and revised Standards and Interpretations on its business and, therefore, no change is necessary to Group accounting policies.

(e) Basis of Consolidation

The consolidated financial statements comprise the financial statements of Avenue Resources Limited and its subsidiaries as at 30 June each year ('the Company').

Subsidiaries are all those entities (including special purpose entities) over which the Company has the power to govern the financial and operating policies so as to obtain benefits from their activities. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether a Company controls another entity.

The financial statements of the subsidiaries are prepared for the same reporting period as the parent Company, using consistent accounting policies.

In preparing the consolidated financial statements, all intercompany balances and transactions, income and expenses and profit and losses resulting from intra-company transactions have been eliminated in full.

Subsidiaries are fully consolidated from the date on which control is obtained by the Company and cease to be consolidated from the date on which control is transferred out of the Company.

The acquisition of subsidiaries is accounted for using the acquisition method of accounting. The acquisition method of accounting involves recognising at acquisition date, separately from goodwill, the identifiable assets acquired, the liabilities assumed and any non-controlling interest in the acquiree. The identifiable assets acquired and the liabilities assumed are measured at their acquisition date fair values.

Avenue Resources Limited

Notes to the financial statements at and for the year ended 30 June 2013

The difference between the above items and the fair value of the consideration (including the fair value of any pre-existing investment in the acquiree) is goodwill or a discount on acquisition.

A change in the ownership interest of a subsidiary that does not result in a loss of control, is accounted for as an equity transaction.

(f) Foreign Currency Translation

(i) Functional and presentation currency

Items included in the financial statements of each of the Company's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The functional and presentation currency of Avenue Resources Limited is Australian dollars. The functional currency of the overseas subsidiaries is Brazilian Reais.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of Comprehensive Income.

(iii) Group entities

The results and financial position of all the Company entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position;
- income and expenses for each statement of comprehensive income are translated at average exchange rates (unless this is not a reasonable approximation of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions); and
- all resulting exchange differences are recognised as a separate component of equity.

On consolidation, exchange differences arising from the translation of any net investment in foreign entities are taken to foreign currency translation reserve.

When a foreign operation is sold or any borrowings forming part of the net investment are repaid, a proportionate share of such exchange differences are recognised in the statement of comprehensive income, as part of the gain or loss on sale where applicable.

(g) Plant and Equipment

Each class of plant and equipment is carried at cost less, where applicable, any accumulated depreciation and impairment losses.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. Repairs and maintenance expenditure is charged to the statement of comprehensive income during the financial period in which it is incurred.

Avenue Resources Limited

Notes to the financial statements at and for the year ended 30 June 2013

Depreciation

The depreciable amount of all fixed assets is depreciated on a straight line basis over their useful lives to the Group commencing from the time the asset is held ready for use.

The depreciation rates used for each class of depreciable assets are:

<i>Class of Fixed Asset</i>	<i>Depreciation Rate</i>
Plant and equipment	25% – 50%
Furniture, Fixtures and Fittings	10%
Computer and software	20% - 35%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each statement of financial position date.

Derecognition

Additions of plant and equipment are derecognised upon disposal or when no further future economic benefits are expected from their use or disposal.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are recognised in the statement of comprehensive income.

(h) Impairment of non-financial assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Group makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of its fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets of the Group and the asset's value in use cannot be estimated to be close to its fair value. In such cases the asset is tested for impairment as part of the cash generating unit to which it belongs. When the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset or cash-generating unit is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Impairment losses relating to continuing operations are recognised in the statement of comprehensive income.

An assessment is also made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in profit or loss.

After such a reversal the depreciation charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

(i) Exploration expenditure

Exploration and evaluation expenditure incurred by or on behalf of the Group is accumulated separately for each area of interest. Such expenditure comprises net direct costs and an appropriate portion of related overhead expenditure, but does not include general overheads or administrative expenditure not having a specific nexus with a particular area of interest.

Each area of interest is limited to a size related to a known or probable mineral resource capable of supporting a mining operation.

Exploration and evaluation expenditure for each area of interest is carried forward as an asset provided that one of the following conditions is met:

- such costs are expected to be recouped through successful development and exploitation of the area of interest or, alternatively, by its sale; or
- exploration and evaluation activities in the area of interest have not yet reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves, and active and significant operations in relation to the area are continuing.

Expenditure which fails to meet the conditions outlined above is written off, furthermore, the directors regularly review the carrying value of exploration and evaluation expenditure and make write downs if the values are not expected to be recoverable.

Identifiable exploration assets acquired are recognised as assets at their cost of acquisition, as determined by the requirements of AASB 6 Exploration for and evaluation of mineral resources. Exploration assets acquired are reassessed on a regular basis and these costs are carried forward provided that at least one of the conditions referred to in AASB 6 is met.

Exploration and evaluation expenditure incurred subsequent to acquisition in respect of an exploration asset acquired is accounted for in accordance with the policy outlined above for exploration expenditure incurred by or on behalf of the entity.

Acquired exploration assets are not written down below acquisition cost until such time as the acquisition cost is not expected to be recovered.

When an area of interest is abandoned, any expenditure carried forward in respect of that area is written off.

Expenditure is not carried forward in respect of any area of interest/mineral resource unless the Group's rights of tenure to that area of interest are current.

(j) Trade and Other Receivables

Trade receivables, which generally have 30 – 90 day terms, are recognised and carried at original invoice amount less an allowance for any uncollectible amounts.

An estimate for doubtful debts is made when collection of the full amount is no longer probable. Bad debts are written off when identified.

(k) Cash and Cash Equivalents

Cash and cash equivalent in the statement of financial position include cash on hand, deposits held at call with banks and other short term highly liquid investments with original maturities of three months or less. Bank overdrafts are shown as current liabilities in the statement of financial position. For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and cash equivalents as described above and bank overdrafts.

(l) Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Where the Group expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statement of comprehensive income net of any reimbursement.

If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money, and where appropriate, the risks specific to the liability.

Where discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

(m) Trade and other payables

Liabilities for trade creditors and other amounts are measured at amortised cost, which is the fair value of the consideration to be paid in the future for goods and services received that are unpaid, whether or not billed to the Group.

(n) Income Tax

Deferred income tax is provided for on all temporary differences at balance date between the tax base of assets and liabilities and their carrying amounts for financial reporting purposes.

No deferred income tax will be recognised from the initial recognition of goodwill or of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

No deferred income tax will be recognised in respect of temporary differences associated with investments in subsidiaries if the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary differences will not reverse in the near future.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or liability is settled. Deferred tax is charged or credited in the statement of comprehensive income except where it relates to items that may be charged or credited directly to equity, in which case the deferred tax is adjusted directly against equity.

Deferred income tax assets are recognised for all deductible temporary differences, carry forward of unused tax assets and unused tax losses to the extent that it is probable that future tax profits will be available against which deductible temporary differences can be utilised.

The amount of benefits brought to account or which may be realised in the future is based on tax rates (and tax laws) that have been enacted or substantially enacted at the balance date and the anticipation that the Group will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by the law. The carrying amount of deferred tax assets is reviewed at each balance date and only recognised to the extent that sufficient future assessable income is expected to be obtained.

Income taxes relating to items recognised directly in equity are recognised in equity and not in the statement of comprehensive income.

Avenue Resources Limited

Notes to the financial statements at and for the year ended 30 June 2013

Deferred tax assets and deferred tax liabilities are offset only if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and liabilities relate to the same taxable entity and the same taxation authority.

(o) Issued capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

(p) Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue is capable of being reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

Interest income

Revenue is recognised as the interest accrues (using the effective interest method, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument) to the net carrying amount of the financial asset.

(q) Earnings per share

Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the Company, excluding any costs of servicing equity other than dividends, by the weighted average number of ordinary shares, adjusted for any bonus elements.

Diluted earnings per share

Diluted earnings per share is calculated as net profit attributable to members of the Company, adjusted for:

- costs of servicing equity (other than dividends);
- the after tax effect of dividends and interest associated with dilutive potential ordinary shares that have been recognised as expenses; and
- other non-discretionary changes in revenues or expenses during the period that would result from the dilution of potential ordinary shares;

divided by the weighted average number of ordinary shares and dilutive potential ordinary shares, adjusted for any bonus elements.

(r) Goods and services tax

Revenues, expenses and assets are recognised net of the amount of GST/sales tax, except where the amount of GST/sales tax incurred is not recoverable from the relevant Tax Authority. In these circumstances, the GST/sales tax is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST/sales tax.

The net amount of GST/sales tax recoverable from, or payable to, the Tax Authority is included as part of receivables or payables in the statement of financial position.

Cash flows are presented in the statement of cash flows on a gross basis, except for the GST component of investing and financing activities, which is receivable from or payable to the ATO, are disclosed as operating cash flows.

(s) Share based payment transactions

The Group provides benefits to individuals acting as, and providing services similar to employees (including Directors) of the group in the form of share based payment transactions, whereby individuals render services in exchange for shares or rights over shares ('equity settled transactions').

Avenue Resources Limited

Notes to the financial statements at and for the year ended 30 June 2013

There is currently an Employee Share Option Scheme (ESOS) in place, which provides benefits to Directors and individuals providing services similar to those provided by an employee.

The cost of these equity settled transactions with employees is measured by reference to the fair value at the date at which they are granted. The fair value is determined by using an option pricing formula taking into account the terms and conditions upon which the instruments were granted, as discussed in note 23.

In valuing equity settled transactions, no account is taken of any performance conditions, other than conditions linked to the price of the shares of Avenue Resources Limited ('market conditions').

The cost of the equity settled transactions is recognised, together with a corresponding increase in equity, over the period in which the performance conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award ('vesting date').

The cumulative expense recognised for equity settled transactions at each reporting date until vesting date reflects (i) the extent to which the vesting period has expired and (ii) the number of awards that, in the opinion of the Directors of the group, will ultimately vest. This opinion is formed based on the best available information at balance date. No adjustment is made for the likelihood of the market performance conditions being met as the effect of these conditions is included in the determination of fair value at grant date. The statement of comprehensive income charge or credit for a period represents the movement in cumulative expense recognised at the beginning and end of the period.

No expense is recognised for awards that do not ultimately vest, except for awards where vesting is conditional upon a market condition.

Where the terms of an equity settled award are modified, as a minimum an expense is recognised as if the terms had not been modified. In addition, an expense is recognised for any increase in the value of the transaction as a result of the modification, as measured at the date of the modification.

Where an equity settled award is cancelled, it is treated as if it had vested on the date of the cancellation, and any expense not yet recognised for the award is recognised immediately. However if a new award is substituted for the cancelled award, and designated as a replacement award on the date that it is granted, the cancelled and new awards are treated as if they were a modification of the original award, as described in the previous paragraph.

The cost of equity-settled transactions with non-employees is measured by reference to the fair value of goods and services received unless this cannot be measured reliably, in which case the cost is measured by reference to the fair value of the equity instruments granted. The dilutive effect, if any, of outstanding options is reflected in the computation of loss per share (see note 20).

(t) Comparative figures

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

(u) Critical accounting estimates and judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that may have a financial impact on the entity and that are believed to be reasonable under the circumstances.

Avenue Resources Limited

Notes to the financial statements at and for the year ended 30 June 2013

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Capitalised exploration and evaluation expenditure

The future recoverability of capitalised exploration and evaluation expenditure is dependent on a number of factors, including whether the Group decides to exploit the related lease itself or, if not, whether it successfully recovers the related exploration and evaluation asset through sale.

Factors which could impact the future recoverability include the level of proved, probable and inferred mineral resources, future technological changes which could impact the cost of mining, future legal changes (including changes to environmental restoration obligations) and changes to commodity prices and exchange rules.

To the extent that capitalised exploration and evaluation expenditure is determined not to be recoverable in the future, this will reduce profits and net assets in the period in which this determination is made.

In addition, exploration and evaluation expenditure is capitalised if activities in the area of interest have not yet reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves. To the extent that it is determined in the future that this capitalised expenditure should be written off, this will reduce profits and net assets in the period in which this determination is made.

Share based payment transactions

The Group measures the cost of equity settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by using the Black Scholes formula taking into account the terms and conditions upon which the instruments were granted, as discussed in note 23.

Functional currency translation reserve

Under the Accounting Standards, each entity within the Group is required to determine its functional currency, which is the currency of the primary economic environment in which the entity operates. Management considers the Brazilian subsidiaries to be foreign operations with Brazilian Reals as the functional currency. In arriving at this determination, management has given priority to the currency that influences the labour, materials and other costs of exploration activities as they consider this to be a primary indicator of the functional currency.

3. Segment Information

For management purposes, the Group is organised into one main operating segment, which involves mining exploration for tin. All of the Group's activities are interrelated, and discrete financial information is reported to the Board (Chief Operating Decision Makers) as a single segment.

Revenues of approximately Nil (2012 - Nil) are derived from a single external customer.

Accordingly, all significant operating decisions are based upon analysis of the Group as one segment. The financial results from this segment are equivalent to the financial statements of the Group as a whole. Total revenue earned by the Group is generated in Australia and all of the Group's non-current assets reside in Brazil.

Avenue Resources Limited

Notes to the financial statements at and for the year ended 30 June 2013

	Consolidated	
	2013	2012
	\$	\$
4. Other Expenses		
Bank fees	4,141	2,604
Insurance	10,289	9,328
Meetings expenses	1,565	6,771
Telephone and internet	1,736	1,615
Serviced office	120,000	50,000
Other	16,689	9,043
Total other expenses	154,420	79,361

5. Income Tax

(a) Income tax expense

Major component of tax expense for the year:

Current tax	-	-
Deferred tax	-	-
	<u>-</u>	<u>-</u>

(b) Numerical reconciliation between aggregate tax expense recognised in the statement of comprehensive income and tax expense calculated per the statutory income tax rate.

A reconciliation between tax expense and the product of accounting loss before income tax multiplied by the Group's applicable tax rate is as follows:

Loss from continuing operations before income tax expense	(7,914,901)	(3,301,732)
Tax at the group rate of 30%	(2,374,470)	(990,520)
Expense of remuneration options	62,315	688,880
Non-deductible expenses	2,131,850	160,324
Income tax benefit not brought to account	180,305	141,316
Income tax expense	<u>-</u>	<u>-</u>

(c) Unused tax losses

Unused tax losses	2,693,196	2,341,591
Potential tax benefit not recognised at 30%	<u>807,959</u>	<u>702,477</u>

The benefit of the tax losses will only be obtained if:

- (i) the Group derives future assessable income in Australia of a nature and of an amount sufficient to enable the benefit from the deductions for the losses to be realised, and
- (ii) the Group continues to comply with the conditions for deductibility imposed by tax legislation in Australia and
- (iii) no changes in tax legislation in Australia adversely affect the Group in realising the benefit from the deductions for the losses.

Avenue Resources Limited

Notes to the financial statements at and for the year ended 30 June 2013

Consolidated
2013 2012
\$ \$

6. Cash and Cash Equivalents

Reconciliation of Cash and Cash Equivalents

Cash comprises:

Cash at bank	476,412	1,124,945
Short term deposits	1,000,000	2,000,000
	1,476,412	3,124,945

Reconciliation of operating loss after tax to the cash flows from operations

Loss from ordinary activities after tax	(7,914,901)	(3,301,732)
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Non cash items

Share based payments	207,715	2,291,652
Depreciation charges	14,435	373
Exploration expenditure written off	7,106,165	534,412

Change in assets and liabilities

Decrease / (increase) in trade and other receivables	21,160	(17,636)
Increase / (decrease) in trade and other payables	(22,321)	33,908

Net cash outflow from operating activities

	(587,747)	(459,023)
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Non-cash financing activities are as follows:

- Share-based payments (to directors, employees, corporate advisors and project vendors) as discussed in note 23.

7. Trade and Other Receivables – Current

GST receivable	14,086	24,567
Accrued interest	8,473	17,163
Other	4,393	5,355
	26,952	47,085

Trade debtors, other debtors and goods and services tax are non-interest bearing and generally receivable on 30 day terms. They are neither past due nor impaired. The amount is fully collectible. Due to the short term nature of these receivables, their carrying value is assumed to approximate their fair value.

8. Investments in subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described in note 2 (e).

Name of Entity	Country of Incorporation	Equity Holding
Triumph Tin Mining Limited	Australia	100%
Triunfo Mineracao do Brasil Ltda	Brazil	100%

Avenue Resources Limited

Notes to the financial statements at and for the year ended 30 June 2013

	Consolidated	
	2013	2012
	\$	\$
9. Plant and Equipment		
Plant and Equipment		
Cost	42,227	2,158
Accumulated depreciation and impairment	(14,084)	(267)
Net carrying amount	<u>28,143</u>	<u>1,891</u>
Computer Equipment and Software		
Cost	1,288	156
Accumulated depreciation and impairment	(191)	(8)
Net carrying amount	<u>1,097</u>	<u>148</u>
Furniture, Fixtures and Fittings		
Cost	4,700	4,105
Accumulated depreciation and impairment	(552)	(98)
Net carrying amount	<u>4,148</u>	<u>4,007</u>
Total Plant and Equipment	<u>33,388</u>	<u>6,046</u>
Movements in Plant and Equipment		
Plant and Equipment		
At beginning of the year	1,891	-
Additions	40,069	2,158
Depreciation charge for the year	(13,817)	(267)
	<u>28,143</u>	<u>1,891</u>
Computer Equipment and Software		
At beginning of the year	148	-
Additions	1,132	156
Depreciation charge for the year	(183)	(8)
	<u>1,097</u>	<u>148</u>
Furniture, Fixtures and Fittings		
At beginning of the year	4,007	-
Additions	595	4,105
Depreciation charge for the year	(454)	(98)
	<u>4,148</u>	<u>4,007</u>
Total Plant and Equipment	<u>33,388</u>	<u>6,046</u>

Avenue Resources Limited

Notes to the financial statements at and for the year ended 30 June 2013

	Consolidated	
	2013	2012
	\$	\$
10. Deferred Exploration and Evaluation Expenditure		
At beginning of the year	6,327,450	459,062
Exploration expenditure during the year	1,033,528	777,538
Acquisition of assets*	-	5,683,433
Impairment loss	(7,106,165)	(534,412)
Net exchange differences on translation	21,580	(58,171)
Total exploration and evaluation	276,393	6,327,450

* The acquisition of assets in 2012 includes the fair value of the shares issued to the vendors of Triumph Tin Mining Limited (refer to note 23 and note 25) and option payments made on the Group's Brazilian tin projects.

The ultimate recoupment of costs carried forward for exploration expenditure is dependent on the successful development and commercial exploitation or sale of the respective mining areas. The impairment loss for the current year relates to the withdrawal from further exploration on the Sao Lourenco Tin and North Brazilian Tin Projects with a focus on the Mata Azul Tin Project going forward. The impairment loss for the 2012 year relates to the withdrawal from the joint venture for projects held in Western Australia and writing down their carrying value to nil.

11. Trade and Other Payables

Trade payables	56,058	93,308
Accruals	22,000	24,772
Other	2,452	2,152
	80,510	120,232

Trade creditors, other creditors and goods and services tax are non-interest bearing and generally payable on 60 day terms. Due to the short term nature of these payables, their carrying value is assumed to approximate their fair value.

12. Issued Capital

(a) Issued capital

Ordinary shares fully paid	10,554,368	10,554,368
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	2013		2012	
	Number of shares	\$	Number of shares	\$
(b) Movements in shares on issue				
At beginning of the year	55,430,000	10,554,368	21,430,000	2,927,113
Placement at \$0.20	-	-	10,000,000	2,000,000
Shares issued on acquisition of subsidiary	-	-	20,000,000	4,800,000
Shares issued in lieu of option payments	-	-	3,000,000	720,000
Shares issued to corporate advisors	-	-	1,000,000	240,000
Less fundraising costs	-	-	-	(132,745)
At 30 June	55,430,000	10,554,368	55,430,000	10,554,368

Avenue Resources Limited

Notes to the financial statements at and for the year ended 30 June 2013

(c) Ordinary shares

The Company does not have authorised capital nor par value in respect of its issued capital. Ordinary shares have the right to receive dividends as declared and, in the event of a winding up of the Company, to participate in the proceeds from sale of all surplus assets in proportion to the number of and amounts paid up on shares held. Ordinary shares entitle their holder to one vote, either in person or proxy, at a meeting of the Company.

(d) Capital risk management

The Group's capital comprises share capital, reserves less accumulated losses amounting to \$1,732,635 at 30 June 2013 (2012: \$9,385,294). The Group manages its capital to ensure its ability to continue as a going concern and to optimise returns to its shareholders. The Group was ungeared at year end and not subject to any externally imposed capital requirements. Refer to note 21 for further information on the Group's financial risk management policies.

(e) Share options

At 30 June 2013, there were 19,700,000 unissued ordinary shares under options (2012: 19,700,000 options). The details of the options are as follows:

Number	Exercise Price \$	Expiry Date
1,500,000	0.25	30 June 2014
1,200,000	0.35	30 July 2014
3,000,000	0.25	15 September 2014
12,000,000	0.25	30 June 2015
2,000,000	0.25	31 March 2015
19,700,000		

No option holder has any right under the options to participate in any other share issue of the company or any other entity. Information relating to the Avenue Resources Limited Employee Share Option Scheme, including details of options issued under the plan, is set out in note 23.

No options were issued during the year. 6,000,000 unlisted options with an exercise price of \$0.05 and an expiry date of 31 December 2015 were issued since the end of the financial year.

No options were exercised during or since the end of the financial year and no options have lapsed during or since the end of the financial year.

	Consolidated	
	2013	2012
	\$	\$
13. Reserves		
Share based payment reserve	2,657,587	2,449,872
Foreign currency translation reserve	(5,354)	(59,881)
	2,652,233	2,389,991
Movements in Reserves		
<i>Share based payment reserve</i>		
At beginning of the year	2,449,872	398,220
Share based payments	207,715	2,051,652
At 30 June	2,657,587	2,449,872

Avenue Resources Limited

Notes to the financial statements at and for the year ended 30 June 2013

The share based payment reserve is used to record the value of equity benefits provided to directors and executives as part of their remuneration and non-employees for their services. Refer to note 23 for further details of the options issued during the financial year.

	Consolidated	
	2013	2012
	\$	\$
<i>Foreign currency translation reserve</i>		
At beginning of the year	(59,881)	-
Foreign currency translation	54,527	(59,881)
At 30 June	(5,354)	(59,881)

The Foreign Exchange differences arising on translation of the foreign controlled entities are taken to the foreign currency translation reserve, as described in note 2(f). The reserve is recognised in the statement of comprehensive income when the net investment is disposed of.

14. Accumulated losses

	Consolidated	
	2013	2012
	\$	\$
Movements in accumulated losses were as follows:		
At beginning of the year	(3,559,065)	(257,333)
Loss for the year	(7,914,901)	(3,301,732)
At 30 June	(11,473,966)	(3,559,065)

15. Expenditure Commitments

(a) Rental and service agreements

The Group entered a service agreement for certain administrative services and office space for a term of two years starting in February 2012. The Group is required to give three months written notice to terminate the agreement.

	Consolidated	
	2013	2012
	\$	\$
Within one year	105,000	180,000
After one year but not longer than 5 years	-	105,000
	105,000	285,000

(b) Exploration commitments

In order to maintain the current rights of tenure to mining tenements, the Group has the following exploration expenditure requirements and option payments up until the expiry or relinquishment of the agreements. These obligations are not provided for in the financial statements and are payable as follows:

	Consolidated	
	2013	2012
	\$	\$
Within one year	547,465	1,838,235
After one year but not longer than 5 years	547,465	2,573,530
	1,094,930	4,411,765

Avenue Resources Limited

Notes to the financial statements at and for the year ended 30 June 2013

The Group has a definitive agreement to acquire tin projects in Brazil. The exploration expenditure commitments above assume that the Group will meet its agreed option payments and minimum expenditure commitments.

If the Group decides to relinquish and/or does not meet the obligations, assets recognised in the Statement of Financial Position may require review to determine the appropriateness of carrying values. The sale, transfers or farm-out of exploration rights to third parties will reduce or extinguish the above obligations.

Consolidated	
2013	2012
\$	\$

16. Auditor's Remuneration

The auditor of Avenue Resources Limited is RSM Bird Cameron Partners.

Amounts received or due and receivable for:

- non-RSM Bird Cameron Partners audit firms preparation of the income tax return	-	2,100
- RSM Bird Cameron Partners an audit or review of the financial report of the entity and any other entity in the Consolidated group	26,000	-
- non-RSM Bird Cameron Partners audit firms an audit or review of the financial report of the entity and any other entity in the Consolidated group	-	24,302
	26,000	26,402

17. Key Management Personnel Disclosures

(a) Details of Key Personnel

Mr Anthony Polglase	Non-Executive Chairman
Mr Luis Azevedo	Executive Director
Mr Simon Mottram	Executive Director
Mr Benjamin Dunn	Non-Executive Director
Mr Scott Funston	Company Secretary

(b) Remuneration of Key Management Personnel

Details of the nature and amount of each element of the emolument of each Director and Executive of the Group for the financial year are as follows:

Consolidated	
2013	2012
\$	\$

Short term employee benefits	364,994	253,126
Post employment benefits	-	2,625
Share based payments	103,857	57,036
Total remuneration	468,851	312,787

Avenue Resources Limited

Notes to the financial statements at and for the year ended 30 June 2013

(c) Shareholdings of Key Management Personnel

Shareholdings

The number of shares in the company held during the financial year by each director of Avenue Resources Limited, including their personally related parties, is set out below. There were no shares granted during the reporting period as compensation.

2013	Balance at the start of the year	Granted during the year as compensation	On exercise of share options	Other changes during the year	Balance at the end of the year
Mr Polglase	5,305,000	-	-	116,445	5,421,445
Mr Azevedo	100,000	-	-	-	100,000
Mr Mottram	3,050,000	-	-	-	3,050,000
Mr Dunn	100,000	-	-	-	100,000
Mr Funston	3,025,000	-	-	-	3,025,000

2012	Balance at the start of the year	Granted during the year as compensation	On exercise of share options	Other changes during the year	Balance at the end of the year
Mr Polglase (a)	-	-	-	5,305,000 (i)	5,305,000
Mr Azevedo (a)	-	-	-	100,000	100,000
Mr Mottram (a)	-	-	-	3,050,000 (ii)	3,050,000
Mr Dunn (a)	-	-	-	100,000	100,000
Mr O'Loughlin (b)	400,000	-	-	(400,000)	-
Mr Evans (b)	370,000	-	-	(370,000)	-
Mr Cawley (b)	330,000	-	-	(330,000)	-
Mr Funston (a)	-	-	-	3,025,000 (iii)	3,025,000
Mr Stephenson (b)	-	-	-	-	-

(a) Mr Polglase, Mr Mottram and Mr Funston were appointed on 1 February 2012. Mr Azevedo and Mr Dunn were appointed on 15 March 2012.

(b) Mr Evans, Mr Cawley and Mr Stephenson resigned on 1 February 2012. Mr O'Loughlin resigned on 15 March 2012.

(i) Mr Polglase acquired 5,000,000 shares as a shareholder of Triumph Tin Mining Limited ('Triumph') in consideration for the acquisition of Triumph during the financial year. Mr Polglase acquired a further 245,000 shares due to his participation in the Placement and had an existing 60,000 shares on appointment as a Director.

(ii) Mr Mottram acquired 3,000,000 shares as a shareholder of Triumph in consideration for the acquisition of Triumph during the financial year. Mr Mottram acquired a further 50,000 shares due to his participation in the Placement.

(iii) Mr Funston acquired 2,700,000 shares as a shareholder of Triumph in consideration for the acquisition of Triumph during the financial year. Mr Funston acquired a further 125,000 shares due to his participation in the Placement and had an existing 200,000 shares on appointment as Company Secretary.

All equity transactions with key management personnel other than arising from the exercise of remuneration options have been entered into under terms and conditions no more favourable than those the Group would have adopted if dealing at arm's length.

Avenue Resources Limited

Notes to the financial statements at and for the year ended 30 June 2013

(d) Optionholdings of Key Management Personnel

The numbers of options over ordinary shares in the company held during the financial year by each director of Avenue Resources Limited and specified executive of the group, including their personally related parties, are set out below:

2013	Balance at the start of the year	Granted during the year as compensation	Exercised during the year	Other changes during the year	Balance at the end of the year	Vested options	
						Exercisable	Non-exercisable
Mr Polglase	-	-	-	-	-	-	-
Mr Azevedo	1,000,000	-	-	-	1,000,000	1,000,000	-
Mr Mottram	-	-	-	-	-	-	-
Mr Dunn	-	-	-	-	-	-	-
Mr Funston	-	-	-	-	-	-	-

2012	Balance at the start of the year	Granted during the year as compensation	Exercised during the year	Other changes during the year	Balance at the end of the year	Vested options	
						Exercisable	Non-exercisable
Mr Polglase (a)	-	-	-	-	-	-	-
Mr Azevedo (a)	-	1,000,000	-	-	1,000,000	-	1,000,000
Mr Mottram (a)	-	-	-	-	-	-	-
Mr Dunn (a)	-	-	-	-	-	-	-
Mr O'Loughlin (b)	500,000	-	-	(500,000)	-	-	-
Mr Evans (b)	500,000	-	-	(500,000)	-	-	-
Mr Cawley (b)	500,000	-	-	(500,000)	-	-	-
Mr Funston (a)	-	-	-	-	-	-	-
Mr Stephenson (b)	-	-	-	-	-	-	-

(a) Mr Polglase, Mr Mottram and Mr Funston were appointed on 1 February 2012. Mr Azevedo and Mr Dunn were appointed on 15 March 2012.

(b) Mr Evans, Mr Cawley and Mr Stephenson resigned on 1 February 2012. Mr O'Loughlin resigned on 15 March 2012.

There were no other alterations to the terms and conditions of options granted as remuneration since their grant date. There were no forfeitures during the years ended 30 June 2013 or 30 June 2012.

Options granted as part of remuneration have been valued using the Black-Scholes option pricing model, which takes account of factors such as the option exercise price, the current level and volatility of the underlying share price and the time to maturity of the option. Options granted under the plan carry no dividend or voting rights. For details on the valuation of options, including models and assumptions used, please refer to note 23.

Other transactions with Key Management Personnel

Kernow Mining Consultants Pty Ltd, a company in which Mr. Polglase is a director, charged the Group consulting fees of \$100,000 (2012: \$41,667). This amount is included in Note 17(b) "Remuneration of key management personnel". \$9,167 (2012: \$18,333) was outstanding at year end.

JENS Dominion Pty Ltd, a company in which Mr. Mottram is a director, charged the Group consulting fees of \$100,000 (2012: \$41,667). This amount is included in Note 17(b) "Remuneration of key management personnel". \$9,167 (2012: \$9,167) was outstanding at year end.

Avenue Resources Limited

Notes to the financial statements at and for the year ended 30 June 2013

FFA Legal Ltda, a company in which Mr. Azevedo is a director, provided the Group with legal and accounting services in Brazil of \$148,851 (2012: \$71,110). \$9,999 (2012: \$11,852) was outstanding at year end.

Resourceful International Consulting Pty Ltd, a company in which Mr. Funston is a director, charged the Group consulting fees of \$90,000 (2012: \$37,500). This amount is included in Note 17(b) "Remuneration of key management personnel". \$8,250 (2012: \$8,250) was outstanding at year end.

Garrison Capital Pty Ltd, a company in which Mr Funston is a director and shareholder, provided the Group with a fully serviced office including administration and information technology support totalling \$120,000 (2012: \$50,000), corporate advisory services totalling \$60,000 (2012: \$25,000) and reimbursement of payments for legal, accounting and other minor expenses, at cost totalling \$31,373 (2012: \$47,879). \$17,650 (2012: \$21,418) was outstanding at year end.

Garrison Capital Pty Ltd were issued 4,000,000 unlisted options exercisable at \$0.25 on or before 30 June 2015 for their role as corporate advisors to the Company for the acquisition of Triumph Tin. The options have been valued using the Black-Scholes option pricing model and are included as a share based payments as disclosed in Note 23.

These transactions have been entered into on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

18. Events Subsequent to Balance Date

On 23 August 2013 the Company completed the acquisition of Lotus Mining Pty Ltd following shareholder approval being obtained on 16 August 2013. The acquisition resulted in 20,000,000 ordinary shares being issued to Vendors of Lotus. The Company also issued 1,000,000 ordinary shares to Garrison Capital for their role as corporate advisors to the transaction and 6,000,000 unlisted options to Mr Stephen Thompson as incentive based remuneration following his appointment as Managing Director.

There were no other known significant events from the end of the financial year to the date of this report.

19. Related Party Disclosures

For Director related party transactions, please refer to Note 17 "Key Management Personnel Disclosures". The ultimate parent entity is Avenue Resources Limited. Refer to note 8 for list of all subsidiaries within the group. There were no other related party transactions during the year.

20. Loss per Share

	Consolidated	
	2013	2012
	\$	\$
Loss used in calculating basic and dilutive EPS	(7,914,901)	(3,301,732)
	<hr/>	
	Number of Shares	
Weighted average number of ordinary shares used in calculating basic earnings / (loss) per share :	55,430,000	35,164,247
	<hr/>	
Effect of dilution:		
Share options	-	-
Adjusted weighted average number of ordinary shares used in calculating diluted loss per share:	55,430,000	35,164,247
	<hr/>	

There is no impact from 19,700,000 options outstanding at 30 June 2013 (2012: 19,700,000 options) on the earnings per share calculation because they are considered anti-dilutive. These options could potentially dilute basic EPS in the future.

There have been no transactions involving ordinary shares or potential ordinary shares that would significantly change the number of ordinary shares or potential ordinary shares outstanding between the reporting date and the date of completion of these financial statements.

21. Financial Risk Management

Exposure to interest rate, liquidity and credit risk arises in the normal course of the Group's business. The Group does not hold or issue derivative financial instruments.

The Group uses different methods as discussed below to manage risks that arise from these financial instruments. The objective is to support the delivery of the financial targets while protecting future financial security.

(a) Liquidity Risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting obligations associated with financial liabilities.

The Group manages liquidity risk by maintaining sufficient cash facilities to meet the operating requirements of the business and investing excess funds in highly liquid short term investments. The responsibility for liquidity risk management rests with the Board of Directors.

Alternatives for sourcing the Group's future capital needs include the cash position and the issue of equity instruments. These alternatives are evaluated to determine the optimal mix of capital resources for our capital needs. We expect that, absent a material adverse change in a combination of our sources of liquidity, present levels of liquidity along with future capital raising will be adequate to meet our expected capital needs.

Maturity analysis for financial liabilities

Financial liabilities of the Group comprise trade and other payables. As at 30 June 2013 and 30 June 2012 all financial liabilities are contractually matured within 60 days.

(b) Interest Rate Risk

Interest rate risk arises from the possibility that changes in interest rates will affect future cash flows or the fair value of financial instruments.

The Group's exposure to market risk for changes to interest rate risk relates primarily to its earnings on cash and term deposits. The Group manages the risk by investing in short term deposits.

	Consolidated	
	2013	2012
	\$	\$
Cash and cash equivalents	1,476,412	3,124,945

Interest rate sensitivity

The following table demonstrates the sensitivity of the Group's statement of comprehensive income to a reasonably possible change in interest rates, with all other variables constant.

Avenue Resources Limited

Notes to the financial statements at and for the year ended 30 June 2013

Consolidated

Judgements of reasonably possible movements	Effect on Post Tax Earnings Increase/(Decrease)		Effect on Equity including accumulated losses Increase/(Decrease)	
	2013 \$	2012 \$	2013 \$	2012 \$
Increase 100 basis points	14,764	31,249	14,764	31,249
Decrease 100 basis points	(14,764)	(31,249)	(14,764)	(31,249)

A sensitivity of 100 basis points has been used as this is considered reasonable given the current level of both short term and long term Australian Dollar interest rates. The change in basis points is derived from a review of historical movements and management's judgement of future trends. The analysis was performed on the same basis in 2012.

(c) Credit Risk Exposures

Credit risk represents the risk that the counterparty to the financial instrument will fail to discharge an obligation and cause the Group to incur a financial loss. The Group's maximum credit exposure is the carrying amounts on the statement of financial position. The Group holds financial instruments with credit worthy third parties.

At 30 June 2013, the Group held cash at bank. These were held with financial institutions with a rating from Standard & Poors of AA or above (long term). The Group has no past due or impaired debtors as at 30 June 2013 (2012: nil).

(d) Fair value of financial instruments

The carrying amounts of financial instruments approximate their fair values.

(e) Capital management

The Board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business.

There were no changes in the Group's approach to capital management during the year. The Group is not subject to externally imposed capital requirements.

22. Contingent Liabilities

There are no known contingent liabilities.

23. Share Based Payment Plan

(a) Recognised share based payment transactions

Share based payment transactions recognised either as operation expenses in the statement of comprehensive income, exploration expenditure on the statement of financial position or capital raising expenses in equity during the year were as follows:

	Consolidated	
	2013	2012
	\$	\$
<i>Operating expenses</i>		
Employee share based payment (refer 23(b) below)	207,715	114,073
Share based payment to corporate advisor (refer 23(c) below)	-	2,177,579
	207,715	2,291,652
<i>Exploration expenditure</i>		
Share based payment to vendor (refer 23(c) below)	-	5,520,000
	-	-
<i>Capital raising expenses</i>		
Share based payments to supplier (refer 23(c) below)	-	-
	-	-

(b) Employee share based payment scheme

The Group has established an employee share option scheme (ESOS). The objective of the ESOS is to assist in the recruitment, reward, retention and motivation of employees of Avenue Resources Limited. Under the ESOS, the Directors may invite individuals acting in a manner similar to employees to participate in the ESOS and receive options. An individual may receive the options or nominate a relative or associate to receive the options. The plan is open to executive officers, nominated consultants and employees of Avenue Resources Limited.

The fair value at grant date of options granted during the reporting period was determined using the Black Scholes option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share and the risk free interest rate for the term of the option.

The table below summarises options granted under the ESOS:

Grant Date	Expiry date	Exercise price	Balance at start of the year Number	Granted during the year Number	Exercised during the year Number	Expired during the year Number	Balance at end of the year Number	Exercisable at end of the year Number
25 June 2010 *	30 June 2014	\$0.25	1,500,000	-	-	-	1,500,000	1,500,000
17 February 2012	31 March 2015	\$0.25	2,000,000	-	-	-	2,000,000	2,000,000
			3,500,000	-	-	-	3,500,000	3,500,000
Weighted remaining contractual life (years)			2.4	-	-	-	1.4	1.4
Weighted average exercise price			\$0.25	-	-	-	\$0.25	\$0.25

* These options were issued to former directors not under the ESOS.

The weighted average fair value of options granted during the year was \$nil (2012: \$0.161).

Avenue Resources Limited

Notes to the financial statements at and for the year ended 30 June 2013

(c) Share-based payment to suppliers

Operating expenses

During the previous financial year 1,000,000 shares were issued to Taylor Collison Limited for their role as advisor to the acquisition of Triumph Tin. The fair value of the shares of \$240,000 was determined by reference to the market value on the Australian Securities Exchange on the date the transaction was approved by shareholders.

During the previous financial year 12,000,000 options in total were issued to Taylor Collison Limited, Garrison Capital Pty Ltd and CPS Securities Pty Ltd for their roles as advisors to the acquisition of Triumph Tin. The fair value of the options of \$1,937,579 was determined using the Black Scholes option pricing model. The options are exercisable at \$0.25 on or before 30 June 2015. These options are included in the table below.

Exploration expenditure

During the previous financial year 20,000,000 shares were issued to vendors of Triumph Tin Mining Limited. The fair value of the shares of \$4,800,000 was determined by reference to the market value on the Australian Securities Exchange on the date the transaction was approved by shareholders.

During the previous financial year 3,000,000 shares were issued to Lara Exploration under the terms of the Sao Lourenco definitive agreement. The fair value of the shares of \$720,000 was determined by reference to the market value on the Australian Securities Exchange on the date the transaction was approved by shareholders.

During the 2012 financial year 1,200,000 options were issued to Gateway Mining Limited pursuant to two separate Project Farm-in and Joint Venture Arrangements to acquire an interest in certain tenements. The fair value of the options of \$78,720 was determined using the Black Scholes option pricing model. The options are exercisable at \$0.35 on or before 30 July 2014. These options are included in the table below.

Capital raising expenses

The table below summaries options granted to suppliers and vendors:

Grant Date	Expiry date	Exercise price	Balance at start of the year Number	Granted during the year Number	Exercised during the year Number	Expired during the year Number	Balance at end of the year Number	Exercisable at end of the year Number
15 September 2010	15 September 2014	\$0.25	3,000,000	-	-	-	3,000,000	3,000,000
15 September 2010	30 July 2014	\$0.35	1,200,000	-	-	-	1,200,000	1,200,000
30 January 2012	30 June 2015	\$0.25	12,000,000	-	-	-	12,000,000	12,000,000
			16,200,000	-	-	-	16,200,000	16,200,000
Weighted remaining contractual life (years)			2.8	-	-	-	1.8	1.8
Weighted average exercise price			\$0.26	-	-	-	\$0.26	\$0.26

24. Dividends

No dividend was paid or declared by the Group in the period since the end of the financial year and up to the date of this report. The Directors do not recommend that any amount be paid by way of dividend for the financial year ended 30 June 2013.

The balance of the franking account is Nil as at 30 June 2013 (2012: Nil).

25. Acquisition of Assets

There were no acquisitions during the current year.

Acquisition – Triumph Tin Mining Limited in the prior period

During the previous financial year, the Company acquired 100% of the voting shares of Triumph Tin Mining Limited.

The total cost of the acquisition was \$4,800,000 and comprised an issue of equity instruments. The Company issued securities as described in note 23(c) with an issue price based on the quoted price of ordinary shares at the date the transaction was approved by shareholders.

The fair value of the identifiable assets and liabilities of Triumph Tin Mining Limited as at the date of acquisition are:

	Recognised on acquisition
	\$
Tenement interests, exploration and evaluation expenditure	<u>4,800,000</u>
Fair value of identifiable net assets	<u>4,800,000</u>
Cost of the acquisition:	
Securities issued, at fair value	<u>4,800,000</u>
Total cost of the acquisition	<u>4,800,000</u>

Avenue Resources Limited

Notes to the financial statements at and for the year ended 30 June 2013

26. Parent Entity Information

The following details information related to the parent entity, Avenue Resources Limited, at 30 June 2013. The information presented here has been prepared using consistent accounting policies as presented in Note 2.

	2013	Parent 2012
	\$	\$
Current assets	1,433,078	3,016,628
Non current assets	377,614	6,473,058
Total Assets	1,810,692	9,489,686
Current liabilities	78,057	104,392
Non current liabilities	-	-
Total Liabilities	78,057	104,392
Net Assets	1,732,635	9,385,294
Issued capital	10,554,368	10,554,368
Share based payment reserve	2,657,587	2,449,872
Accumulated losses	(11,479,320)	(3,618,946)
Total Equity	1,732,635	9,385,294
Loss for the year	(7,860,374)	(3,361,613)
Other comprehensive income for the year	-	-
Total comprehensive loss for the year	(7,860,374)	(3,361,613)

b) Guarantees

Avenue Resources Limited has not entered into any guarantees in relation to the debts of its subsidiary.

c) Other Commitments and Contingencies

Avenue Resources Limited entered into a service agreement during the 2012 financial year for certain administrative services and office space for a term of two years. The Company is required to give three months written notice to terminate the agreement. Total commitments at 30 June 2013 under the contract are \$105,000 (2012: \$285,000). There are no commitments to acquire property, plant and equipment, and no contingent liabilities.

Directors' Declaration

In accordance with a resolution of the Directors of Avenue Resources Limited, I state that:

1. In the opinion of the directors:

- (a) the financial statements and notes of the Group are in accordance with the Corporations Act 2001, including:
 - (i) giving a true and fair view of the financial position of the Group as at 30 June 2013 and of its performance, for the year ended on that date; and
 - (ii) complying with Accounting Standards (including the Australian Accounting Interpretation) and the Corporations Regulations 2001;
 - (b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable;
 - (c) the financial statements and notes also comply with International Financial Reporting Standards as disclosed in note 2(b);
2. This declaration has been made after receiving the declarations required to be made by the directors in accordance with sections of 295A of the Corporations Act 2001 for the financial year ending 30 June 2013.

On behalf of the Board



Anthony Polglase

Chairman

Perth

29 August 2013

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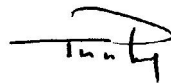
AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the audit of the financial report of Avenue Resources Limited for the year ended 30 June 2013, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- (ii) any applicable code of professional conduct in relation to the audit.

RSM Bird Cameron Partners

RSM BIRD CAMERON PARTNERS



TUTU PHONG
Partner

Perth, WA
Dated: 29 August 2013

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
AVENUE RESOURCES LIMITED**

Report on the Financial Report

We have audited the accompanying financial report of Avenue Resources Limited, which comprises the statement of financial position as at 30 June 2013, statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the year's end or from time to time during the financial year.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error. In Note 2(b), the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that the financial statements comply with *International Financial Reporting Standards*.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Avenue Resources Limited, would be in the same terms if given to the directors as at the time of this auditor's report.

Opinion

In our opinion:

- (a) the financial report of Avenue Resources Limited is in accordance with the *Corporations Act 2001*, including:
 - (i) giving a true and fair view of the consolidated entity's financial position as at 30 June 2013 and of its performance for the year ended on that date; and
 - (ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*; and
- (b) the financial report also complies with *International Financial Reporting Standards* as disclosed in Note 2(b).

Report on the Remuneration Report

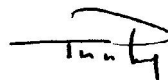
We have audited the Remuneration Report contained within the directors' report for the year ended 30 June 2013. The directors of the company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Opinion

In our opinion the Remuneration Report of Avenue Resources Limited for the year ended 30 June 2013 complies with section 300A of the *Corporations Act 2001*.

RSM Bird Cameron Partners

RSM BIRD CAMERON PARTNERS



TUTU PHONG
Partner

Perth, WA
Dated: 29 August 2013

ASX Additional Information

Additional information required by the Australian Stock Exchange Ltd and not shown elsewhere in this report is as follows.

The information is current at 31 July 2013.

Substantial Share Holders

The names of shareholders who have notified the Company in accordance with Section 671B of the Corporations Act 2001 are:

Shareholder Name	No. of Ordinary Shares	Percentage %
Anthony Polglase	5,305,000	9.57
Matthew Wood	4,895,000	8.84
Hudson Bay Investments Pty Ltd <Hudson Bay Investment a/c>	3,000,000	5.41
Nicole Mottram	3,000,000	5.41
Lara Exploration	3,000,000	5.41
Scott Funston	2,900,000	5.23

Distribution of Share Holders

	Ordinary Shares	
	Number of Holders	Number of Shares
1 - 1,000	2	103
1,001 -	109	1,062,000
5,001 -	200	9,098,207
10,001	69	18,584,690
100,001	10	26,685,000
TOTAL	390	55,430,000

There were 112 holders of ordinary shares holding less than a marketable parcel.

Voting Rights

All ordinary shares carry one vote per share without restriction.

Restricted Securities

There are no restricted securities.

On-Market Buy Back

There is no current on-market buy back.

Top Twenty Share Holders

Name	Number of Ordinary Shares held	%
MR ANTHONY POLGLASE + MS MICHELLE POLGLASE <POLGLASE FAMILY A/C>	5,245,000	9.46
HUDSON BAY INVESTMENTS PTY LTD <HUDSON BAY INVESTMENTS A/C>	3,000,000	5.41
MITCHELL GRASS HOLDING SINGAPORE PTE LTD	3,000,000	5.41
NICOLE MOTTRAM	3,000,000	5.41
NATIONAL NOMINEES LIMITED	3,000,000	5.41
FRANCIS SCOTT FUNSTON + VICTORIA ALEXIS SUZANNE FUNSTON <FUNSTON INVESTMENT A/C>	2,825,000	5.10
TAYCOL NOMINEES PTY LTD <211 A/C>	2,650,000	4.78
CELTIC CAPITAL PTE LTD <TRADING A/C 1>	1,550,000	2.80
CELTIC CAPITAL PTY LTD <THE CELTIC CAPITAL A/C>	1,365,000	2.46
NEFCO NOMINEES PTY LTD	1,050,000	1.89
SCHINDLERS REG TRUUNTERHEHMEN <NINA A/C>	800,000	1.44
CALAMA HOLDINGS PTY LTD <MAMBAT SUPER FUND A/C>	750,000	1.35
MR DANIEL EDDINGTON & MRS JULIE EDDINGTON <DJ HOLDINGS A/C>	650,000	1.17
MR MATTHEW GADEN WESTERN WOOD	595,000	1.07
MITCHELL GRASS HOLDING SINGAPORE PTE LTD	500,000	0.90
MR JAMES CLEMENT WHITING	500,000	0.90
MR MICHAEL ANDREW WHITING + MRS TRACEY ANNE WHITING <WHITING FAMILY S/F A/C>	475,000	0.86
MR TIMOTHY JAMES FLAVEL <THE FLAVEL INVESTMENTS A/C>	450,000	0.81
MR JOHN DELLA BOSCA <JA&JG DELLA BOSCA FAMILY A/C>	447,165	0.81
JINDEE PTY LTD <THE BELL A/C>	443,300	0.80
Total ordinary shares	32,295,465	58.26

Tenement Table

Project	Tenure Title Holder	Area Ha	DNPM No of Area	Status of Tenure
Sao Lourenco Tin	TTM*	500	000.413/61	Granted Mining Concession
Sao Lourenco Tin	TTM*	500	000.414/61	Granted Mining Concession
Sao Lourenco Tin	TTM*	500	000.415/61	Granted Mining Concession
Sao Lourenco Tin	TTM*	500	000.420/61	Granted Mining Concession
Sao Lourenco Tin	TTM*	469	001.137/61	Granted Mining Concession
Sao Lourenco Tin	TTM*	469	001.140/61	Granted Mining Concession
Sao Lourenco Tin	TTM*	469	001.145/61	Granted Mining Concession
Sao Lourenco Tin	TTM*	1	854.011/76	Granted Mining Concession
Azul Tin	TTM*	671	800.708/77	Granted Mining Concession

TTM = Triumph Tin Mining Ltd a wholly owned subsidiary of Avenue Resources Limited.

* Option to purchase 100%.