



Dear Shareholders:

Since I last wrote to you on May 27, 2009, the world appears to be on a slow road to recovery after suffering through one of its worst financial crises ever. Avanti elected to accelerate its development activities at our Kitsault property through this financial crisis in order to advance the property to the same state as its competitors in the molybdenum market. We have made significant progress in that area throughout the year that I am happy to share with you.

As you will recall, we purchased the asset on October 17, 2008 utilizing the proceeds of a US\$ 20 million Convertible Bridge Loan provided by Resource Capital Funds (RCF). This was the purchase price paid to Alcoa to close the transaction. Since that time we have advanced the project with funds from our treasury and the proceeds of warrant exercises. This has allowed us to advance the Kitsault property through the Prefeasibility stage the positive results of which were announced on November 16, 2009.

Since closing the acquisition, we have accomplished the following important milestones:

1. We completed a Preliminary Economic Assessment in November 2008.
2. We concluded a 33-hole, 10,000 meter drill program which confirmed historical drill data and allowed us to update the NI 43-101 Mineral Resource Statement in March 2009.
3. In late January 2009, we moved our primary listing from the CNSX (Canadian National Stock Exchange) to the TSX Venture Exchange.
4. We appointed Wardrop Engineering Inc. the lead Engineer for the Prefeasibility Study, which was completed in November 2009 and shows a very attractive project that ranks Kitsault among the top five in undeveloped primary moly assets worldwide (described in greater detail below). This study was informed by a second drill program focusing on geotechnical and hydrological issues and an environmental baseline program that has been underway since October 2008.
5. Completed a C\$ 17.3 million financing in February 2010 that allowed us to commit to the Feasibility and Permitting studies that are currently in progress.
6. Appointed AMEC as the lead contractors on our Feasibility Study (FS) and the environmental permitting activities. Knight Piesold, who has worked with us for

two years on the Tailings Management Facility (TMF) and site water balance was retained to work with AMEC on these aspects of the FS.

7. Avanti elected to “opt-in” to the British Columbia Environmental Assessment process in order to fully satisfy the environmental assessment requirements necessary to amend our existing Mines Act permit (M-10). Although we were ruled exempt from this process, we feel it is beneficial because it will aid in providing input from all concerned parties. Avanti considered a number of factors in making this decision, including how each review process is able to integrate federal and Nisga’a treaty requirements into the review process. The Canadian Environmental Assessment Agency will coordinate the review of the federal agencies in terms of their need to screen the project components for any federal triggers or authorizations that may be required to advance the project. Avanti has received an order under Section 7(3) of the Environmental Assessment Act (British Columbia) evidencing that the Environmental Assessment Office has accepted the Company’s opt-in to the EA review process.
8. Lastly, we have been working diligently on the process of securing financing to construct Kitsault. This has included appointing West LB as debt arrangers and initiating discussions with end-users of moly for potential long term supply agreements and/or strategic partnership at the project level.

As this list attest, Avanti has been moving aggressively toward the development of Kitsault despite the uncertain economic times we are experiencing. The most important milestone completed during the past year was the PFS. This study allowed us to state the first Proven and Probable Reserve statement for the project which now stands at 215 million tonnes grading 0.085% Mo containing 368 million pounds of recoverable molybdenum. The mine will have a 15 year life that averages 24.5 million pounds per year of moly production but because the first five years is higher grade, it will average 28.8 million pounds per year during the critical payback period. The mine is estimated to cost US\$641 million to construct and will generate approximately US\$ 1.6 billion in after tax cash flow during the mine life. On a discounted cash flow basis (using an 8% discount rate), the project is valued at US\$ 551 million. All revenue assumptions in the above projections are based upon detailed commodity supply-demand analysis provided by CPM Group, an industry leader in this work.

The single most challenging aspect of developing Kitsault is the selection and engineering of the TMF for the project. The site used in our PFS represents a “worse case” scenario in that its initial capital cost is US\$245 million. We immediately engaged Knight Piesold to complete a TMF alternatives study trying to optimize capital cost, construction time all while minimizing environmental impacts. Two sites have emerged as accomplishing these goals with initial capital cost reduction of between US\$114 and \$75 million and a reduction in the construction schedule of one year. We expect to make the final selection on the TMF site very shortly and we are confident that this will improve project economics and timing.

As mentioned previously, we feel that, despite the **current** climate of markets and commodity prices, we are in the best part of the commodity cycle to be planning and building a mine. We feel that production at Kitsault will be perfectly timed for economic recovery and are continuing our efforts based on this premise.

As we move our project forward, the molybdenum markets have been steadily improving based upon improved steel markets. The initiation of trading of molybdenum on the London Metals Exchange has added clarity to the pricing of the commodity and should provide a forward market as these instruments mature and gain confidence of producers and suppliers. We feel that stronger economic activity will resume this year, and demand from the steel industry will exhibit relatively strong growth. CPM Group further opines that “steel-based molybdenum demand is forecast to grow by 6.5% in 2010 and 2011, as the economy recovers and government stimulus spending is implemented.” With global supply having dropped 15% and predicted demand expected to improve in several years, we plan to take advantage of an improving worldwide economy and subsequently higher moly prices once the mine is built.

We are confident that Avanti will succeed in building the Kitsault mine and bringing it into production during a better economic climate. We hope that you will share our vision and remain patient as Avanti evolves from a development stage company to a molybdenum producer. We would like to thank our employees and service providers for their support and dedication during the past two years who have accomplished a tremendous amount of work.

Sincerely,

Craig J. Nelsen
President & CEO

April 11, 2010