

No securities regulatory authority has expressed an opinion about these securities and it is an offence to claim otherwise.

A copy of this preliminary short form prospectus has been filed with the securities regulatory authorities in every province of Canada, except Québec, but has not yet become final for the purpose of the sale of securities. Information contained in this preliminary short form prospectus may not be complete and may have to be amended. The securities may not be sold until a receipt for the short form prospectus is obtained from the securities regulatory authorities.

The securities offered under this short form prospectus have not been and will not be registered under the United States Securities Act of 1933, as amended, or any state securities laws. Accordingly, the securities offered hereby may not be offered or sold in the United States unless an exemption from such registration is available. This short form prospectus does not constitute an offer to sell or a solicitation of an offer to buy any of the securities offered hereby within the United States. See "Plan of Distribution".

Information has been incorporated by reference in this short form prospectus from documents filed with securities commissions or similar authorities in Canada. Copies of the documents incorporated herein by reference may be obtained on request without charge from the secretary of the Corporation at Suite 175, 12200 E. Briarwood Avenue, Centennial, CO, USA 80112, telephone (303) 565.5491, and are also available electronically at www.sedar.com.

PRELIMINARY SHORT FORM PROSPECTUS

New Issue

January 21, 2010



AVANTI MINING INC.

Cdn\$●
● Units

Avanti Mining Inc. ("Avanti" or the "Corporation") hereby qualifies for distribution ● units ("Units") at a price of \$● per Unit (the "Offering Price") for total gross proceeds to the Corporation of \$● (the "Offering"). Each Unit consists of one common share of the Corporation (a "Common Share") and one-half of one Common Share purchase warrant (each whole warrant a "Warrant"). Each Warrant will entitle the holder thereof to purchase one Common Share at a price of \$● per Common Share at any time prior to 4:00 p.m. (Vancouver Time) on or before the date that is ● months from the completion of the Offering. The Warrants will be issued pursuant to a warrant indenture that provides for, among other things, standard anti-dilution provisions and other terms and conditions customary for agreements of that nature. See "Description of Securities Being Offered". The Offering Price was determined by negotiation among BMO Nesbitt Burns Inc., GMP Securities L.P. and Macquarie Capital Markets Canada Ltd. (together, the "Underwriters") and the Corporation. The Units will be offered and sold pursuant to an underwriting agreement dated ●, 2010 between the Underwriters and the Corporation. See "Plan of Distribution". Unless the context otherwise indicates, a reference to the "Corporation" in this short form prospectus includes the Corporation and each of its subsidiaries.

The outstanding Common Shares of the Corporation are listed and posted for trading on the TSX Venture Exchange (the "TSXV") under the symbol "AVT". On January 20, 2010, the last trading day prior to the date of this short form prospectus, the closing price of the Common Shares on the TSXV was \$0.265.

Price: Cdn\$● per Unit

	Price to the Public	Underwriters' Fee ⁽¹⁾	Net Proceeds to the Corporation ⁽²⁾⁽⁴⁾
Per Unit	\$● ⁽³⁾	\$●	\$●
Total	\$●	\$●	\$●

- Notes:
- (1) Pursuant to the Underwriting Agreement the Corporation has agreed to pay to the Underwriters a cash commission equal to 6% of the gross proceeds of the Offering (the "Underwriters' Fee"). As additional compensation, the Corporation has agreed to grant to the Underwriters non-transferable warrants (the "Compensation Warrants") to purchase a number of Common Shares which is equal to 3% of the number of Units sold under the Offering, at an exercise price equal to the Offering Price for a period of 24 months after the Closing Date (as defined below). This short form prospectus also qualifies the distribution of the Compensation Warrants. See "Plan of Distribution".
 - (2) After deducting the Underwriters' Fee, before deducting expenses of the Offering, estimated to be approximately \$●.
 - (3) Of the Offering Price, the Corporation will allocate \$● to each Common Share and \$● to each one-half of one Warrant comprising the Units.
 - (4) The Corporation has granted to the Underwriters an option (the "Over-Allotment Option") exercisable, in whole or in part, for a period of 30 days after the Closing Date to require the Corporation to issue up to an additional 15% of the Units actually sold at the closing of this Offering at the Offering Price to

cover over-allotments and for market stabilization purposes. This short form prospectus qualifies the distribution of the Over-Allotment Option and the distribution of the Common Shares and the Warrants comprising the Units issuable on exercise of the Over-Allotment Option. A purchaser under the Offering who acquires the Common Shares and the Warrants comprising the Units issuable on exercise of the Over-Allotment Option acquires such securities under this short form prospectus, regardless of whether the over-allocation position is ultimately filled through the exercise of the Over-Allotment Option or secondary market purchases. If the Over-Allotment Option is fully exercised the total "Price to Public", "Underwriters' Fee" and "Net Proceeds to the Corporation" will be \$●, \$● and \$●, respectively. See "Plan of Distribution".

The following table sets out the number of Units and Compensation Warrants that may be issued by the Corporation to the Underwriters:

Underwriters' Position	Number of securities available	Exercise period	Exercise price
Over-Allotment Option	That number of Units equal to 15% of the number of Units sold under the Offering	On or within 30 days from the Closing Date	Cdn\$●
Compensation Warrants	That number of Common Shares equal to 3% of the number of Units sold under the Offering	24 months after the Closing Date	Cdn\$●
Total securities under option	<ul style="list-style-type: none"> ● Common Shares ● Warrants 	See above	See above

The Underwriters, as principals, conditionally offer the Units subject to prior sale, if, as and when issued by the Corporation and accepted by the Underwriters in accordance with the conditions contained in the Underwriting Agreement, and subject to the approval of certain legal matters on behalf of the Corporation by Blake, Cassels & Graydon LLP and on behalf of the Underwriters by Stikeman Elliott LLP. Subscriptions for Units will be received subject to rejection or allotment in whole or in part by the Underwriters and the Underwriters reserve the right to close the subscription books at any time without notice. The closing is expected to take place on or about ●, 2010 (the "Closing Date"), or such other date not later than ●, 2010 as may be agreed between the Corporation and the Underwriters.

Certificates representing the Common Shares and Warrants comprising the Units will be issued in registered form to CDS Clearing and Depository Services Inc. ("CDS") or its nominee and will be deposited with CDS on the Closing Date. No physical certificates representing Common Shares or Warrants comprising the Units will be issued to purchasers, except in limited circumstances, (including to U.S. purchasers where required by U.S. law), and registration will be made in the depository services of CDS. A purchaser of Units will receive only a customer confirmation from a registered dealer who is a CDS participant and from or through whom the Units are purchased. See "Plan of Distribution".

The Corporation has applied to list the Common Shares distributed under this short form prospectus and the Common Shares issuable upon the exercise of the Warrants (the "Warrant Shares") and Compensation Warrants (the "Compensation Warrant Shares") on the TSXV. Listing of the Common Shares, Warrant Shares and Compensation Warrant Shares will be subject to the Corporation fulfilling all the listing requirements of the TSXV. The Corporation may apply to the TSXV to list the Warrants on the TSXV. **As at this time there is no market for the Warrants. Therefore, there is currently no market through which the Warrants may be sold and purchasers may not be able to resell the Warrants purchased under this short form prospectus. This may affect the pricing of the Warrants in the secondary market, the transparency and availability of trading prices, the liquidity of the Warrants and the extent of issuer regulation.** See "Risk Factors".

Subject to applicable laws in connection with the Offering, the Underwriters may effect transactions intended to stabilize or maintain the market price for the Common Shares at a level above that which might otherwise prevail on the open market. Such transactions, if commenced, may be discontinued at any time. See "Plan of Distribution".

The Corporation's head office is located at Suite 175, 12200 E. Briarwood Avenue, Centennial, CO, USA 80112, telephone (303) 565.5491, and its registered and records office is located at Suite 2600, Three Bentall Centre, 595 Burrard Street, Vancouver, British Columbia, Canada.

An investment in the securities offered hereunder is speculative and involves a high degree of risk. The risk factors identified under the heading "Risk Factors" in this short form prospectus and in the other documents incorporated herein by reference should be carefully reviewed and evaluated by prospective subscribers before purchasing the securities being offered hereunder.

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ELIGIBILITY FOR INVESTMENT

In the opinion of Blake, Cassels & Graydon LLP, counsel to the Corporation, and Stikeman Elliott LLP, counsel to the Underwriters, provided the Common Shares are listed on a "designated stock exchange" (which includes the TSXV) as defined in the *Income Tax Act* (Canada) (the "**Tax Act**") and regulations thereto on the Closing Date, the Common Shares distributed under this short form prospectus and the Common Shares issuable upon the exercise of the Warrants will be qualified investments under the Tax Act for trusts governed by registered retirement savings plans, registered retirement income funds, registered disability savings plans, deferred profit sharing plans, registered education savings plans and tax-free savings accounts (collectively, "**Deferred Plans**").

Provided that the Common Shares are qualified investments for Deferred Plans as described above on the Closing Date, the Warrants will also be qualified investments on that date for any Deferred Plan provided that on that date neither the Corporation, nor any person with whom the Corporation does not deal with at arm's length for the purposes of the Tax Act, is an annuitant, a beneficiary, an employer or a subscriber under or a holder of, such Deferred Plan.

Notwithstanding the foregoing, a holder of Common Shares or Warrants will be subject to a penalty tax if the Common Shares or Warrants, as the case may be, are held in a tax-free savings account ("**TFSA**") and are a "prohibited investment" for a TFSA under the Tax Act. However, the Common Shares and Warrants will not be prohibited investments for a TFSA held by a particular holder provided the holder deals at arm's length with the Corporation for the purposes of the Tax Act, and does not have a "significant interest" (as defined in the Tax Act) in either the Corporation or a person or partnership that does not deal at arm's length with the Corporation for purposes of the Tax Act. Holders should consult their own tax advisors as to whether the Common Shares and the Warrants will be a prohibited investment in their particular circumstances.

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

This short form prospectus, the documents incorporated by reference herein and the PFS (as defined herein) contain "forward-looking statements" concerning anticipated developments and events that may occur in the future. Forward looking statements contained in the PFS include, but are not limited to, statements with respect to: (i) the estimation of: (A) proven and probable mineral reserves and inferred, indicated and measured mineral resources; (B) the mining life of the Kitsault Property (as defined herein); (C) the production averages and the aggregate amount of molybdenum to be produced over the mining life of the Kitsault Property; (D) the initial capital costs, cash operating costs of producing molybdenum and mine closure costs; (E) the price of molybdenum; (F) the annual resource throughput rate, strip ratio and molybdenum recovery; (G) the after-tax net present value and internal rate of return; (H) the projected undiscounted after-tax cash flow; and (I) the timing of payback of the initial capital investment; (ii) the equipment and techniques to be utilized to mine and process the ore for shipment; (iii) the Kitsault Property being serviced by a BC Hydro transmission grid; (iv) the development and longevity of a run-of-river hydro-electric project; (v) the creation of employment at the Kitsault Property; (vi) completion of certain amendments to the existing M-10 permit in respect of the Kitsault Property; (vii) the amenability of certain portions of the Kitsault Property for open pit extraction; (viii) the sufficiency of current drillhole spacing at the Kitsault Property to advance the project to feasibility level studies; (ix) the mining production schedule; (x) the operation of the processing plant; (xi) the proposed process design; (xii) the completion of a formal feasibility study; and (xiii) the expected global economic recovery and the resulting demand for commodities. Additionally, forward looking statements contained in this short form prospectus and the documents incorporated by reference herein include, but are not limited to, statements with respect to: (i) the market and future price of molybdenum and related products; (ii) success of exploration activities; (iii) permitting time lines; (iv) currency fluctuations; (v) requirements for additional capital; (vi) government regulation of mining operations; (vii) environmental risks; (viii) unanticipated reclamation expenses; (ix) title disputes or claims; (x) limitations on insurance coverage; (xi) the timing and possible outcome of pending litigation; and (xi) construction and development timeline.

In certain cases, forward-looking statements can be identified by the use of words such as "plans", "expects" or "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate", or "believes", or variations of such words and phrases or state that certain actions, events or results "may", "could", "would", "might" or "will be taken", "occur" or "be achieved" suggesting future outcomes, or other expectations, beliefs, plans, objectives, assumptions, intentions or statements about future events or performance. Forward looking statements contained in the PFS are based on certain factors and assumptions outlined in the PFS. Forward-looking statements contained in this short form prospectus and the documents incorporated by reference herein are based on certain factors and assumptions regarding, among other things, the estimation of mineral reserves and resources, the realization of mineral reserve and resource estimates, molybdenum and other metal prices, the timing and amount of future exploration and development expenditures, the estimation of initial and sustaining capital requirements, the estimation of labour and operating costs, the availability of necessary financing and materials to continue to explore and develop the Kitsault Property in the short and long-term, the progress of exploration and development activities, the receipt of necessary regulatory approvals, the estimation of insurance coverage, and assumptions with respect to currency fluctuations, environmental risks, title disputes or claims, and other similar matters. While the Corporation considers these assumptions to be reasonable based on information currently available to it, they may prove to be incorrect.

Forward looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Corporation to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Such factors include risks inherent in the exploration and development of mineral deposits, including risks relating to changes in project parameters as plans continue to be redefined including the possibility that mining operations may not commence at the Kitsault Property, risks relating to variations in ore reserves, grade or recovery rates resulting from current exploration and development activities, risks relating to changes in molybdenum prices and the worldwide demand for and supply of molybdenum and related products, risks related to increased competition in the market for molybdenum and related products and in the mining industry generally, risks related to current global financial conditions, uncertainties inherent in the estimation of mineral reserves and resources, access and supply risks, reliance on key personnel, operational risks inherent in the conduct of mining activities, including the risk of accidents, labour disputes, increases in capital and operating costs and the risk of delays or increased costs that might be encountered during the development process, the risk of fluctuations in the Canadian/U.S. dollar exchange rate, regulatory risks, including risks relating to the acquisition of the necessary licenses and permits, financing, capitalization and liquidity risks, including the risk that the financing necessary to fund the exploration and development activities at the Kitsault Property may not be available on satisfactory terms, or at all, risks related to disputes concerning property titles and

interest, and environmental risks. In particular, the conclusions reached in the PFS for pre-tax net present value is most sensitive to the exchange rate and molybdenum prices and the project initial rate of return is most sensitive to the molybdenum price and exchange rate followed by operating cost and capital cost. Also, see "Risk Factors" in this short form prospectus and in the documents incorporated by reference herein.

Although the Corporation has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results not to be as anticipated, estimated or intended. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements. These forward-looking statements are made as of the date of this short form prospectus and, other than as required by applicable securities laws, the Corporation assumes no obligation to update or revise them to reflect new events or circumstances.

Readers are cautioned that the foregoing lists of factors are not exhaustive. The forward-looking statements contained in this short form prospectus, and the documents incorporated by reference herein, are expressly qualified by this cautionary statement. Except as required by applicable securities laws, neither the Corporation nor any of the Underwriters undertakes any obligation to publicly update or revise any forward-looking statements and readers should also carefully consider the matters discussed under the heading "Risk Factors" in this short form prospectus.

TECHNICAL INFORMATION

The disclosure in this short form prospectus of a scientific or technical nature for the Kitsault Property is based on a technical report prepared in accordance with National Instrument 43-101 — *Standards of Disclosure for Mineral Projects* ("NI 43-101"). The technical report is titled "NI 43-101 Pre-feasibility Study – Avanti Mining Inc. Kitsault Molybdenum Property British Columbia, Canada" and was prepared by Frank Grills, Marinus Andre de Ruijter, and Miloje Vicentijevic of Wardrop Engineering Inc., Jeffrey Volk and Michael Levy of SRK Consulting (U.S.) Inc., Peter Healey, Stephen Day, and Michael Royle of SRK Consulting (Canada) Inc., Ken J. Brouwer of Knight Piésold Ltd., Harold Rolf Schmitt of Rescan Environmental Services Ltd., and Deepak Malhotra of Resource Development Inc., each of whom is a "qualified person" and "independent" of the Corporation, in each case within the meaning of NI 43-101.

ABBREVIATIONS

Unless otherwise stated or the context otherwise requires, the following abbreviations have the respective meanings set out below when used in this short form prospectus:

Cubic metre	-	m ³
Grams per tonne	-	g/t
Hectare (10,000 m ²)	-	ha
Kilogram	-	kg
Kilometre	-	km
Life of Mine	-	LOM
Metre	-	m
Million	-	M
Million tonnes	-	Mt
Molybdenum	-	Mo
Ounce	-	oz
Percent	-	%
Pound	-	lb
Semi-autogenous grinding	-	SAG
Tonne (1,000 kg)	-	t
Tonnes per day	-	t/d
Tungsten trioxide	-	WO ₃

FINANCIAL INFORMATION

The consolidated financial statements of the Corporation incorporated by reference in this short form prospectus are reported in Canadian dollars and have been prepared in accordance with Canadian generally accepted accounting principles. Unless specified otherwise, all references in this short form prospectus to "dollars" or to "\$" are to Canadian dollars and all references to "US dollars" or to "US\$" are to United States of America dollars.

DOCUMENTS INCORPORATED BY REFERENCE

Information has been incorporated by reference in this short form prospectus from documents filed with the securities commissions or similar authorities in every province of Canada except Québec (collectively, the "Commissions"). Copies of the documents incorporated herein by reference and of the permanent information record may be obtained on request without charge from the secretary of the Corporation at Suite 175, 12200 E. Briarwood Avenue, Centennial, CO, USA 80112, telephone (303) 565.5491, and are also available electronically at www.sedar.com.

The following documents filed with the Commissions are specifically incorporated by reference into, and form an integral part of, this short form prospectus:

- (a) the Corporation's annual information form for the financial year ended January 31, 2009 dated July 2, 2009;
- (b) the audited consolidated financial statements of the Corporation for the year ended January 31, 2009 and 2008 together with the notes thereto and the auditors' report thereon;
- (c) management's discussion and analysis of the Corporation for the year ended January 31, 2009;
- (d) the unaudited interim consolidated financial statements for the three and nine months ended October 31, 2009 and 2008 together with the notes thereto;
- (e) management's discussion and analysis of the Corporation for the three and nine months ended October 31, 2009 and 2008;
- (f) the management information circular dated October 2, 2009 in connection with the Corporation's a special meeting of shareholders of the Corporation held November 5, 2009;
- (g) the management information circular dated May 5, 2009 in connection with the Corporation's annual general meeting of shareholders of the Corporation held June 25, 2009;
- (h) the material change report dated January 20, 2010 announcing the execution of a definitive agreement with TA Mineral Resources Ltd. and Quadra Coastal Resources Ltd. to purchase a 100% interest in 102 mineral tenures adjacent to the Kitsault Property;
- (i) the material change report dated November 23, 2009 announcing the results of the NI 43-101 Pre-Feasibility Study;
- (j) the material change report dated October 7, 2009 announcing the execution of a definitive agreement with Resource Capital Fund IV L.P. ("RCF") regarding the conversion of US\$15,116,665 of an existing convertible bridge loan into units of the Corporation; and
- (k) the material change report dated September 17, 2009 announcing that RCF agreed to convert US\$15,116,666 of an existing convertible bridge loan into units of the Corporation.

Any statement contained in this short form prospectus or in a document incorporated or deemed to be incorporated by reference herein will be deemed to be modified or superseded for purposes of this short form prospectus to the

extent that a statement contained in this short form prospectus or in any other subsequently filed document which also is, or is deemed to be, incorporated by reference into this short form prospectus modifies or supersedes that statement. The modifying or superseding statement need not state that it has modified or superseded a prior statement or include any other information set forth in the document that it modifies or supersedes. The making of a modifying or superseding statement shall not be deemed an admission for any purposes that the modified or superseded statement when made, constituted a misrepresentation, an untrue statement of a material fact or an omission to state a material fact that is required to be stated or that is necessary to prevent a statement that is made from being false or misleading in the circumstances in which it was made. Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute part of this short form prospectus.

Any document of the type required to be incorporated into the short form prospectus by item 11.1 of Form 44-101F1 — *Short Form Prospectus* (excluding confidential material change reports and excluding those portions of documents that are not required pursuant to National Instrument 44-101 — *Short Form Prospectus Distributions* to be incorporated by reference herein) filed by the Corporation after the date of this short form prospectus and before the termination of the distribution are deemed to be incorporated by reference in this short form prospectus. Copies of the documents incorporated by reference may be obtained without charge from the secretary of the Corporation at the above-mentioned address and telephone number and are also available electronically at www.sedar.com. Information on the Corporation's website does not constitute part of this short form prospectus.

AVANTI MINING INC.

The Corporation was formed as 0747750 B.C. Ltd. pursuant to the *Business Corporations Act* (British Columbia) on February 2, 2006. On May 16, 2006 0747750 B.C. Ltd. changed its name to Amaryllis Ventures Ltd. On June 11, 2007 Amaryllis Ventures Ltd. changed its name to Avanti Mining Inc. The Corporation has two wholly-owned subsidiaries, Avanti Mining Services, Inc., a company incorporated in the state of Delaware and Avanti Kitsault Mine Ltd., a company incorporated in British Columbia.

Summary Description of the Business

The Corporation is focused on acquiring, exploring and developing mineral resource projects. The Corporation's strategy is threefold: (i) to acquire advanced molybdenum prospects and move them towards development; (ii) to purchase by-product molybdenum production streams from copper producers; and (iii) to become a consolidator in the junior molybdenum market.

Molybdenum is used principally as an alloying agent in steels, cast irons and high strength low alloy steel to enhance hardenability, strength, toughness and resistance to wear and corrosion. It is usually added in combination with other alloying metals, such as chromium, columbium, manganese, nickel, tungsten and niobium, to enhance the properties of the alloy. Molybdenum is also used as a catalyst in petroleum refining and plastics, as a specialty grease, and is one of the primary alloying elements in high temperature mechanical components of jet and turbine engines. In most cases, it is difficult to substitute other elements for molybdenum.

In June 2008, the Corporation announced that it had entered into an agreement with respect to the acquisition of the past producing Kitsault Property located in British Columbia. On November 16, 2009 the Corporation announced the results of a NI 43-101 Pre-Feasibility Study on the Kitsault Property. See "Kitsault Property".

Kitsault Property

The Corporation's only mineral property is the Kitsault Property. On June 19, 2008 the Corporation entered into the Kitsault Purchase and Sale Agreement to acquire an undivided, 100% direct interest in the past producing Kitsault molybdenum mine and surrounding mineral tenures (the "**Kitsault Property**"), located in northern British Columbia, from Aluminere Lauralco, Inc. ("**ALI**"), a wholly owned subsidiary of Alcoa, Inc., for a purchase price of US\$20,000,000. In addition, ALI may elect, within 90 days of the Corporation delivering a feasibility study, to receive: (i) US\$10,000,000 in cash payable at commercial production or in Common Shares to be issued within 30 days of election; or (ii) retain the 1% net smelter royalty on future production. The acquisition was completed on October 17, 2008. The acquisition of the Kitsault Property was funded through a US\$20,000,000 secured convertible bridge loan from RCF. See "Convertible Bridge Loan".

The Kitsault Property is comprised of 8,286 ha of mineral leases and mining claims and is located about 140 km north of Prince Rupert, British Columbia, and south of the head of Alice Arm, an inlet of the Pacific Ocean. The Kitsault Property includes three known molybdenum deposits, Kitsault, Bell Moly, and Roundy Creek. The principal mining feature on the Kitsault Property is the Kitsault open pit mine (currently not operating) which was a producer of molybdenum between 1967 and 1972 and from 1981 to 1982 with total production on the property during both periods being approximately 30 million pounds of molybdenum.

Pre-Feasibility Study

Unless stated otherwise, the information in this section is based upon the information contained in the NI 43-101 Pre-feasibility Study dated December 15, 2009 entitled "NI 43-101 Pre-Feasibility Study – Avanti Mining Inc. Kitsault Molybdenum Property, British Columbia, Canada" (the "PFS") prepared by Wardrop Engineering Inc., a Tetra Tech Company. Portions of the following information are based on assumptions, qualifications and procedures which are not fully described herein. Reference should be made to the full text of the PFS which is available on the Corporation's profile on SEDAR at www.sedar.com.

Mining

Mining is proposed to be conducted using two 18m³ shovels, one 18m³ loader, and up to fifteen 177-t haul trucks with related support equipment. Benches are expected to be drilled on an 8m by 8m drill pattern. All blast holes are expected to be sampled and assayed for molybdenum. The holes are proposed to be loaded and shot with a combination of ANFO (ammonium nitrate / fuel oil) and emulsion. Benches are expected to be 10m in height and the blast hole drilling is expected to be to a depth of 11.6m, including sub-drill.

Assay analyses are expected to provide grade control for ore. Haul distances are expected to be shortened both by the proposed borrow material for starter dam construction and the proposed low grade stock pile location on the top of the existing Patsy Dump. Low grade ore is expected to be stock piled and processed during the last two years of the operation and high grade ore is expected to be sent to the mill.

Processing

The proposed concentrator in the PFS is based on an annual resource throughput rate of 14.6 Mt, or 40,000 t/day 92% plant availability, for the production of molybdenum concentrate. The processing plant is expected to operate 365 days a year and 24 hours a day. Over the LOM, the processing plant is expected to produce an estimated 320,301 t of molybdenite concentrate grading 52% Mo. The molybdenum recovery is estimated at 90.6%, consistent with previous production on the property.

The proposed process design is based on historical testwork results, the results from the 2009 test program and utilizing plant data from the previous Kitsault concentrator operations with the exception that the crushing-grinding circuit has been revised to reflect current technologies using a primary crusher-SAG-ball mill configuration, which is comprised of the following unit processes:

- primary crushing using a gyratory crusher;
- grinding using a SAG-ball mill configuration with cyclones for size classification;
- rougher and scavenger flotation;
- four stages of cleaner flotation with three stages of regrinding;
- final molybdenum concentrate thickening, leaching for the removal of contaminants, and the filtering, drying and packaging of the final concentrate; and
- tailing will be deposited by gravity into an on-site tailings management facility ("TMF").

Capital Costs

Initial capital (all capital expenditures required to produce concentrate) is estimated at US\$641 million which includes US\$48 million for mobile mining equipment. Preproduction stripping costs of US\$15 million are reflected in the initial operating costs. Life of Mine sustaining mine capital is estimated to be US\$400 million, which is comprised mainly of mobile equipment and TMF embankment ongoing construction. All capital costs are (+/-30%) in the PFS estimate.

Operating Costs

Life of Mine unit cash operating costs are estimated at US\$7.47/t milled and operating costs for the processing plant are estimated at US\$3.58/t milled (+/-25% accuracy). General and administrative costs have been estimated at US\$0.55/t milled. Mine closure costs have been estimated at US\$0.28/t ore milled. All operating costs are (+/- 25%) accuracy in the PFS estimate.

Project Economics

The PFS economic results utilized assumptions that are summarized below:

Parameters	Inputs
General Assumptions	
Mine Life	15 years
Available mill operating days per year	365 days/year
Production Rate (average)	40,000tpd
Process Recovery	90.6%
Molybdenum Concentrate	320,301t
Market	
Discount Rate	8%
Base Case LOM average molybdenum price	US\$15.76/lb
Royalty	
Amax Zinc (Newfoundland) Ltd. Net profits Interest	9.22%
Alcoa Royalty	1.0%

The PFS economic model for the base case assumes a LOM average molybdenum price of US\$15.76/lb for revenue purposes.

Undiscounted annual and cumulative cash flow models in the PFS projecting metal revenues at the Kitsault mine were based on the average metal values indicated below:

	Life of Mine
Total Tonnes to Mill (Mt)	215.3
Annual Tonnes to Mill (Mt)	14.6
Average Grades	
Molybdenum (Mo%)	0.085
Total Production	
Molybdenum (Mlb)	367.91
Average Annual Production	
Molybdenum (Mlb)	24.5

The after-tax net present value ("NPV") at an 8% discount rate over the estimated LOM is estimated at US\$551 million. The after-tax internal rate of return is estimated at 20.6%. Payback of the initial capital investment is estimated to occur during the fourth production year. Cash operating costs are estimated to be US\$4.43/lb of accountable molybdenum (recovered molybdenum less 1% deductions).

Sensitivity

The sensitivity analysis for key economic parameters suggests that the project is most sensitive to commodity prices followed by operating cost. The project is least sensitive to capital costs. The base case sensitivity to Pre-Tax NPV (US\$ millions) at a 8% discount rate is shown below:

	-30%	-20%	-10%	Base Case	10%	20%	30%
Moly Price	108	378	648	919	1,189	1,460	1,730
Exchange Rate	2,003	1,551	1,200	919	689	497	335
Moly Head Grade	163	415	667	919	1,171	1,423	1,675
Operating Cost	1,154	1,076	997	919	840	762	684
Capital Cost	1,101	1,040	979	919	858	798	737

The table below provides an after-tax sensitivity analysis for certain key financial parameters to molybdenum prices. The financial analysis utilizes the same inputs as the PFS pre-tax economic model with the following key taxation rates: (i) federal corporate tax at 15%; (ii) provincial corporate tax at 10%; (iii) provincial net proceeds tax at 2%; and (iv) net provincial revenue tax at 13%.

	Units	CPM Market Study			Wardrop/ EMCF Prices
		Base Case	Low Case	High Case	
Molybdenum	US\$/lb	15.76	14.07	16.90	11.99
Exchange Rate	US:Cdn	0.92	0.92	0.92	0.92
NPV (at 8%)	US\$M	551	372	696	155
IRR	%	20.6	16.9	24.2	12.1
Cash Cost/accountable lb Mo	US\$/lb	4.43	4.43	4.43	4.43
Payback Period	years	3.8	4.3	3.3	5.2

Mineral Resources and Mineral Reserves

Mineral Resource Estimates

The mineral resources at the Kitsault deposit have been classified in accordance with the CIM definition standards for mineral resources and mineral reserves. This statement has been prepared by Mr. Jeffrey Volk (P.Eng.) of SRK Consulting (U.S.) Inc., an independent qualified person as defined in NI 43-101. The classification parameters are defined in relation to the distance to sample data and are intended to encompass zones of reasonably continuous mineralization. During the grade estimation process, distance to closest composite, average distance and number of drillholes used to estimate the block were stored in the block model.

This classification is based on detailed drillhole spacing analysis and assignment of confidence intervals. Mineral resources are not mineral reserves and do not have demonstrated economic viability. The effective date of this resource estimate/audit is March 31, 2009.

Resource Classification ⁽¹⁾	Quantity (Mt)	Grade				Contained Metal			
		Molybdenum (%)	Silver (g/t)	Lead (%)	WO ₃ (%)	Molybdenum (Mlbs)	Silver (Moz)	Lead (Mlbs)	WO ₃ (Mlbs)
Measured ⁽²⁾	54	0.112	4.54	0.022	0.007	133	8	26	8
Indicated ⁽²⁾	153	0.088	5.24	0.025	0.006	297	26	84	20
Measured and Indicated ⁽²⁾	207	0.094	5.06	0.024	0.006	430	34	110	28
Inferred ⁽²⁾	26	0.069	4.15	0.019	0.005	40	4	11	3

Notes:

- (1) Mineral resources are not mineral reserves and do not have demonstrated economic viability. All figures have been rounded to reflect the relative accuracy of the estimates. The cut-off grades are based on metal price assumptions of US\$20.00/lb of molybdenum, and a metallurgical recovery of eighty-nine percent for molybdenum. Silver, Lead and WO₃ were not used in the pit optimization.
- (2) Reported at a cut-off grade of 0.04% Molybdenum contained within a potentially economically mineable open pit.

Mineral Reserve Estimates

The Kitsault mine mineral reserves have been prepared in accordance with NI 43-101 standards and CIM standard definitions and encompass the mineral resources. This statement has been prepared by Mr. Miloje Vicentijevic (P.Eng.) of Wardrop Engineering Inc., a Tetra Tech Company, an independent qualified person as defined in NI 43-101. These reserves are sufficient for close to 15 years of operation at an annual production rate of 40,000 t/d. The mineral reserves are summarized by class in the following table:

By Class	Cut-off Grade (Mo%)	Quantity (Mt)	Mo Grade (Mo%)	Contained Metal Mo (Mlb)
Proven	0.036	55.7	0.109	121.35
	0.027	3.8	0.031	2.35
Total		59.5	0.104	123.70
Probable	0.036	134.5	0.086	231.08
	0.027	21.2	0.031	13.13
Total		155.7	0.079	244.21
Total Proven & Probable		215.3	0.085	367.91

Notes:

- (1) Reserves calculated in accordance with CIM guidelines.
- (2) The metal price used for reserve calculation is US\$12.51/lb Mo.
- (3) Metallurgical recovery is 90.6% for Mo.
- (4) Pit optimization parameters have changed from the time the resource estimate was completed. As a result, an additional 8.3 million tonnes grading 0.031% Mo of the economic reserves within optimized pit was available for the variable cut-off strategy (Note 5 below) making the reserve statement higher than the resource statement
- (5) Cut-off grades used were variable, 0.036% Mo and 0.027% Mo.
- (6) Mining recovery is estimated at 100% and dilution is nil.
- (7) The waste-to-ore ratio for the deposit is 0.75.

Market Overview

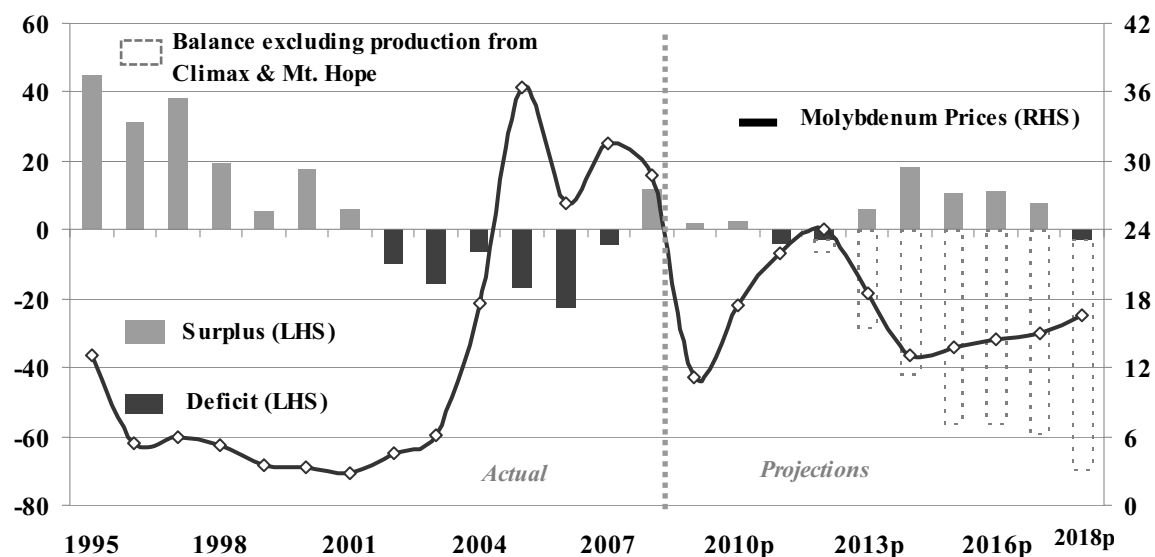
The chart below depicts the historical and projected molybdenum supply and demand balance of molybdenum for the periods indicated.

Modified Base Case: Real Molybdenum Prices and World Supply and Demand Balance

Annual, Projected through 2018p

Million Pounds

US\$/Lb.



Source: CPM Group

Convertible Bridge Loan

The acquisition of the Kitsault Property was funded through a convertible bridge loan of US\$20,000,000 (the "**Bridge Loan**") with RCF entered into on October 16, 2008. The bridge loan was repayable without penalty at anytime for a nine month period. The Corporation granted to RCF a security interest in the Kitsault molybdenum property and all of the Corporation's other assets, and a pledge of securities in its subsidiaries and guarantees as security for the bridge loan. On July 15, 2009 as the bridge loan was not repaid it became a convertible loan in the amount of US\$20,116,667, due on demand at any time after April 15, 2010.

On October 2, 2009 the Corporation entered into an agreement (the "**Amended Loan Agreement**") with RCF to convert US\$15,116,667 of the then existing convertible bridge loan into units of the Corporation at a deemed conversion price of \$0.16 per unit (an "**RCF Unit**"). Each RCF Unit consists of one common share and one-half of one share purchase warrant. Each whole warrant entitles RCF the right to purchase one share until November 6, 2013 at an exercise price \$0.216. RCF further agreed to fix the conversion price of the remaining loan of US\$5,000,000 (the "**Convertible Loan**") to be equal to \$0.24 until the Corporation completes an equity offering and thereafter the conversion price of the Convertible Loan will be equal to the price at which Avanti makes its next equity offering. The Convertible Loan is due on June 15, 2012 and the Corporation is permitted to pay the full outstanding amount of the Convertible Loan at anytime.

The purpose and business reason for the Corporation entering into the Amended Loan Agreement was that previously RCF could have delayed converting the outstanding amount of the convertible bridge loan until June 15, 2012, causing uncertainty and difficulties in the capital markets. The Amended Loan Agreement increased certainty in the Corporation's capital structure and an improvement in the financial position of the Corporation through the conversion of US\$15,116,667 of debt into shares and warrants of the Corporation. The Amended Loan Agreement was approved by the shareholders of the Corporation on November 5, 2009 with RCF and its related parties and joint actors abstaining from voting on the matter.

As at January 20, 2010 RCF controls 149,062,299 Common Shares of the Corporation, or approximately 55.33%.

RCF has the right to participate in future equity financing by Avanti on the same terms as third party investors on a prorated basis to maintain a 40% ownership in Avanti and has no other pre-emptive rights. RCF also has the right to nominate individuals to the Corporation's board of directors proportionate to its shareholding in the Corporation on a non-diluted basis, so long as RCF owns 15% of the issued and outstanding common shares of the Corporation.

Corporate

On December 1, 2009 the Corporation announced the appointment of Kenneth W. Collison as Senior Vice President – Project Development.

On November 9, 2009 the Corporation announced the appointment of Mark A. Smith as a director of the Corporation. The Corporation also announced the resignation of David Cohen from the board of directors due to other business commitments and the resignation of Cheryl Martin, VP Investor Relations and Corporate Secretary in order to pursue other opportunities.

On October 7, 2009 the Corporation announced the appointment of James R. Arnold, P.E., as a director of the Corporation.

Acquisition of Mineral Tenures from TA Mineral Resources Ltd.

On January 13, 2010 the Corporation entered into a definitive agreement to purchase a 100% interest in 102 mineral tenures adjacent to the Kitsault Property in northern British Columbia from TA Mineral Resources Ltd. and Quadra Coastal Resources Ltd. (collectively, the "Vendors"). These tenures triple the acreage controlled by Avanti and allow for future exploration.

In consideration of this purchase, the Corporation agreed to pay the Vendors the sum of \$400,000 in cash and issue 5,500,000 Avanti units. Each unit will consist of one Common Share and one-half of one share purchase warrant exercisable for a period of two years following the closing of the agreement for the purchase. Each whole warrant is exercisable to acquire one Common Share at an exercise price of \$0.30 per Common Share. The payment schedule is as follows:

Timing	Cash Payment	Unit Payment
Upon closing	\$100,000	1,500,000 units
Six months after closing	\$200,000	2,000,000 units
Twelve months after closing	\$100,000	2,000,000 units
Total:	\$400,000	5,500,000 units

The Vendors will retain a 1.5% net smelter royalty on 100 of the mineral tenures purchased by the Corporation. Tenures 517367 and 517364 are not included in the net smelter royalty. The closing of the purchase is subject to the approval of the TSXV and is expected to occur on or before January 31, 2010.

USE OF PROCEEDS

The estimated net proceeds of the Offering to be received by the Corporation will be \$●, assuming the Over-Allotment Option is not exercised and after deducting the aggregate Underwriters' Fee of \$● and the expenses of the Offering expected to be \$●.

The net proceeds from the Offering will be used to advance the Corporation's work on the Kitsault Property by completion of a NI 43-101 compliant Feasibility Study based on the PFS, marketing of molybdenum off-take agreements and project finance activities, all mine permit amendment activities including environmental and public consultation processes and for general corporate purposes. Any surplus funds will be used to pay down the RCF Convertible Loan.

The net proceeds of the Offering are expected to be used as follows:

Activity	Amount
Final Bankable Feasibility Study	\$9,900,000
Optimisation Studies	\$5,000,000
Prince Rupert Roaster Study	\$1,900,000

Project Financing Fees and Expenses	\$1,100,000
Molybdenum Marketing and Off-take Agreements	\$2,300,000
Working Capital	\$●
Total:	\$●

Any additional net proceeds received by the Corporation if the Over-Allotment Option is exercised will be used to pay down the RCF Convertible Loan and for general corporate purposes.

As a result of the nature of the molybdenum exploration, development and exploration industry, budgets are regularly reviewed, with respect to the success of expenditures and as other opportunities become available. Accordingly, while it is currently intended by management of the Corporation that the net proceeds of the Offering will be expended by the Corporation as set forth above, actual expenditures may in fact differ from these amounts and allocations. See "Risk Factors".

PLAN OF DISTRIBUTION

Pursuant to the Underwriting Agreement, the Corporation has agreed to sell and the Underwriters have agreed to purchase on the Closing Date, or such other date as may be agreed upon by the parties to the Underwriting Agreement but in any event not later than ●, 2010, ● Units at the Offering Price payable in cash against delivery. The obligations of the Underwriters under the Underwriting Agreement may be terminated at any time in their sole discretion on the basis of their assessment of the state of the financial markets and upon the occurrence of certain events stated in the Underwriting Agreement. The Underwriters are, however, obligated to take up and pay for all of the securities if any of the securities are purchased under the Underwriting Agreement.

Each Unit consists of one Common Share and one-half of one Warrant. The Offering Price of the Units was determined by negotiation among the Corporation and the Underwriters in the context of prevailing market conditions.

Under the terms of the Underwriting Agreement, the Corporation has agreed to indemnify the Underwriters, their affiliates and their respective directors, officers, employees, shareholders and agents against certain liabilities.

Subscriptions will be received subject to rejection or allotment in whole or in part and the right is reserved to close the subscription books at any time without notice. Certificates representing the Common Shares and Warrants comprising the Units will be issued in registered form to CDS or its nominee and deposited with CDS on the closing of the Offering. A purchaser of Units will receive only a customer confirmation from the registered dealer through which Units are purchased. The closing of the Offering will take place on or about the Closing Date, or such other date as may be agreed upon by the Corporation and the Underwriters.

The Corporation has granted to the Underwriters the Over-allotment Option, exercisable at any time and from time to time, in whole or in part, prior to 4:00 p.m. (Vancouver time) on the date that is on or within 30 days following closing of the Offering, to cover over-allotments, and for market stabilization purposes. The Corporation has been advised by the Underwriters that, in connection with the Offering, the Underwriters may effect transactions that stabilize or maintain the market price of the Common Shares at levels other than those that might otherwise prevail in the open market. Such transactions, if commenced, may be discontinued at any time.

The Corporation has applied to list the Common Shares distributed under this short form prospectus and the Warrant Shares and Compensation Warrant Shares issuable upon the exercise of the Warrants and the Compensation Warrants, as the case may be, on the TSXV. Listing of the Common Shares, Warrant Shares and Compensation Warrant Shares will be subject to the Corporation fulfilling all the listing requirements of the TSXV. The Corporation may apply to the TSXV to list the Warrants on the TSXV. **As at this time there is no market for the Warrants. Therefore, there is currently no market through which the Warrants may be sold and purchasers may not be able to resell the Warrants purchased under this short form prospectus. This may affect the pricing of the Warrants in the secondary market, the transparency and availability of trading prices, the liquidity of the Warrants and the extent of issuer regulation. See "Risk Factors".**

The Corporation has agreed to pay to the Underwriters a fee of \$●, representing an amount being equal to 6% of the gross proceeds of the Offering. In addition, the Corporation will grant to the Underwriters, Compensation Warrants entitling the Underwriters to purchase a number of Common Shares equal to 3% of the number of Units sold pursuant to the Offering, at a price equal to the Offering Price for a period of 24 months following the Closing Date.

The Corporation has agreed not to sell or issue, or agree to sell or issue or enter into any arrangement to sell or issue, without the prior consent of the Underwriters, such consent not to be unreasonably withheld or delayed, any of the Corporation's equity securities or any securities convertible into or exchangeable for the Corporation's equity securities for a period of 90 days following the Closing Date, except in conjunction with: (i) the grant or exercise of stock options or similar issuances pursuant to an existing equity compensation plan of the Corporation; (ii) the exercise of convertible securities or options outstanding as at the date hereof; (iii) the exercise of Compensation Warrants and of Warrants underlying the Units or (iv) the issuance of securities in connection with property or share acquisitions in the normal course of business.

Pursuant to rules and policy statements of certain Canadian securities regulators, the Underwriters may not, at anytime during the period ending on the date the selling process for the Common Shares ends and all stabilization arrangements relating to the Common Shares are terminated, bid for or purchase Common Shares. The foregoing restrictions are subject to certain exceptions including (a) a bid for or purchase of Common Shares if the bid or purchase is made through the facilities of the TSXV in accordance with the Universal Market Integrity Rules of Market Regulation Services Inc., (b) a bid or purchase on behalf of a client, other than certain prescribed clients, provided that the client's order was not solicited by the Underwriter, or if the client's order was solicited, the solicitation occurred before the period of distribution as prescribed by the rules, and (c) a bid or purchase to cover a short position entered into prior to the period of distribution as prescribed by the rules. The Underwriters may engage in market stabilization or market balancing activities on the TSXV where the bid for or purchase of the Common Shares is for the purpose of maintaining a fair and orderly market in the Common Shares, subject to price limitations applicable to such bids or purchases. Such transactions, if commenced, may be discontinued at any time.

The Offering is being made concurrently in every province of Canada, except Québec. In addition, the Underwriters may offer the Units outside of Canada, subject to compliance with the local securities law requirements.

This short form prospectus qualifies the distribution of the Common Shares and the Warrants comprising the Units, the Compensation Warrants, the Over-Allotment Option and the Common Shares and Warrants comprising the Units issuable on exercise of the Over-Allotment Option.

Offering in the United States

The Units, the Common Shares and the Warrants comprising the Units, the Compensation Warrants and the Common Shares issuable upon exercise of the Warrants and the Compensation Warrants, have not been and will not be registered under the *United States Securities Act* of 1933, as amended (the "**U.S. Securities Act**"), or the securities laws of any state. The Units may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in transactions exempt from the registration requirements of the U.S. Securities Act and applicable state securities laws. The terms "United States" and "U.S. person" are as defined in Regulation S under the U.S. Securities Act. The Underwriting Agreement permits the Underwriters through their U.S. agents to offer and sell the Units in the United States to certain accredited investors in compliance with Rule 506 of Regulation D under the U.S. Securities Act and in compliance with applicable state securities laws. This short form prospectus does not constitute an offer to sell or a solicitation of an offer to buy any of the Units in the United States or to U.S. persons.

Certificates representing any Common Shares or Warrants comprising the Units which are sold in the United States or to, or for the account or benefit of, a U.S. person will bear a legend to the effect that the securities represented thereby are not registered under the U.S. Securities Act and may only be offered or sold pursuant to certain exemptions from the registration requirements of the U.S. Securities Act. None of the Warrants sold in the Offering may be exercised in the United States or by or on behalf of a U.S. Person unless an exemption from the registration requirements of the U.S. Securities Act and applicable state securities laws is available.

DESCRIPTION OF SECURITIES BEING OFFERED

Common Shares

The authorized capital of the Corporation consists of an unlimited number of Common Shares, each without par value.

- *Voting Rights.* The holders of the Common Shares are entitled to receive notice of, attend and vote at any meeting of the shareholders of the Corporation. The Common Shares carry one vote per share. There are no cumulative voting rights, and directors do not stand for re-election at staggered intervals.
- *Dividends.* The holders of Common Shares are entitled to receive on a *pro rata* basis such dividends as may be declared by the board of directors, out of funds legally available therefor.
- *Profits.* Each Common Share is entitled to share *pro rata* in any profits of the Corporation to the extent they are distributed either through the declaration of dividends or otherwise distributed to shareholders, or on a winding up or liquidation.
- *Rights on Dissolution.* In the event of the liquidation, dissolution or winding up of the Corporation, the holders of the Common Shares will be entitled to receive on a *pro rata* basis all of the assets of the Corporation remaining after payment of all the Corporation's liabilities.
- *Pre-Emptive, Conversion and Other Rights.* No pre-emptive, redemption, sinking fund or conversion rights are attached to the Common Shares, and the Common Shares, when fully paid, will not be liable to further call or assessment. No other class of shares may be created without the approval of the holders of Common Shares. There are no provisions discriminating against any existing or prospective holder of Common Shares as a result of such shareholder owning a substantial number of Common Shares.

The rights of holders of Common Shares may only be changed by a special resolution of holders of 66 2/3% of the issued and outstanding Common Shares, in accordance with the requirements of the *Business Corporations Act* (British Columbia).

Warrants

Each Warrant will entitle the holder thereof to purchase one Common Share at a price of \$● per share any time prior to 4:00 p.m. (Vancouver Time) on or before the date that is ● months from the completion of the Offering.

The Warrants will be issued under a warrant indenture (the "**Warrant Indenture**") to be entered into on the Closing Date between the Corporation and Computershare Trust Company of Canada (the "**Trustee**"), as trustee and warrant agent, thereunder. The Corporation will appoint the principal transfer offices of the Trustee in the Vancouver location at which the Warrants may be surrendered for exercise or transfer. The Warrant Indenture will, among other things, include provisions for the appropriate adjustment in the class, number and price of the Common Shares to be issued upon exercise of the Warrants upon the occurrence of certain events, including any subdivision, consolidation or reclassification of the Corporation's Common Shares, and the amalgamation of the Corporation.

No adjustment in the exercise price or the number of Common Shares purchasable upon the exercise of the Warrants will be required to be made unless the cumulative effect of such adjustment or adjustments would change the exercise price by at least 1% or the number of Common Shares purchasable upon exercise by at least one one-hundredth of a Common Share.

No fractional Common Shares will be issuable upon the exercise of any Warrants, and no cash or other consideration will be paid in lieu of fractional shares. Holders of Warrants will not have any voting or pre-emptive rights or any other rights which a holder of Common Shares would have.

From time to time, the Corporation and the Trustee, without the consent of the holders of Warrants, may amend or supplement the Warrant Indenture for certain purposes, including curing defects or inconsistencies or making any change that does not adversely affect the rights of any holder of Warrants. Any amendment or supplement to the Warrant Indenture that adversely affects the interests of the holders of the Warrants may only be made by "extraordinary resolution", which is

defined in the Warrant Indenture as a resolution either: (1) passed at a meeting of the holders of Warrants at which there are holders of Warrants present in person or represented by proxy representing at least 25% of the aggregate number of Common Shares which may be acquired upon the exercise of all the then outstanding Warrants and passed by the affirmative vote of holders of Warrants entitled to acquire not less than 66 2/3% of the aggregate number of Common Shares which may be acquired upon the exercise of all the then outstanding Warrants represented at the meeting; or (2) instruments in writing signed by the holders of Warrants representing not less than 66 2/3% of the aggregate number of Common Shares which may be acquired upon the exercise of all the then outstanding Warrants.

The foregoing discussion of the material terms and provisions of the Warrants is qualified in its entirety by reference to the detailed provisions of the Warrant Indenture.

CONSOLIDATED CAPITALIZATION

The following table sets forth the consolidated capitalization of the Corporation as at ●, both before and after giving effect to the Offering.

	As at October 31, 2009, before giving effect to the Offering	As at October 31, 2009, after giving effect to the conversion of the Bridge Loan	As at October 31, 2009, after giving effect to the conversion of the Bridge Loan and the Offering
Common Shares ⁽¹⁾	\$19,651,129 ⁽²⁾ (154,085,220 Common Shares)	\$38,842,584 (256,047,139 Common Shares)	\$● ⁽²⁾⁽³⁾ (● Common Shares)
Warrants	7,499,998	58,480,957	●
Long Term Debt	\$20,048,872	\$4,404,284	●

Notes:

- (1) Does not include 14,035,000 Common Shares issuable pursuant to stock options outstanding as at the date hereof.
- (2) Based on the issuance of ● Units pursuant to the Offering for aggregate gross proceeds of \$● less the Underwriters' Fee of \$● and expenses of the Offering estimated to be \$●.
- (3) Does not include Common Shares reserved for issuance upon exercise of the Compensation Warrants.
- (4) If the Over-Allotment Option is fully exercised, an additional ● Units will be issued and the aggregate gross proceeds, Underwriters' Fee, estimated expenses of the Offering and net proceeds to the Corporation will be \$●, \$●, \$● and \$●, respectively.

The table should be read in conjunction with the unaudited consolidated financial statements of the Corporation for the nine months ended October 31, 2009 and audited financial statements for year ended January 31, 2009, including the notes thereto and the management's discussion and analysis of financial condition and results of operations of the Corporation incorporated by reference into this short form prospectus.

PRIOR SALES

The following table summarizes the Common Shares issued by the Corporation during the 12 months prior to the date of this short form prospectus:

Date	Description	Number of shares	Price per Share
11-Jan-10	Issued at the option of RCF as payment of \$228,735.62 in interest that had accrued on the Loan from the period September 30, 2009 to December 31, 2009.	1,135,164	\$0.2015
22-Dec-09	Issued to RCF on the exercise of warrants	12,221,019	\$0.216
6-Nov-09	Issued to RCF pursuant to the Amended Loan Agreement	101,961,919	\$0.16
6-Oct-09	Issued at the option of RCF as payment of \$363,360.64 in interest that had accrued on the Loan from the period July 15, 2009 to September 30, 2009.	2,048,777	\$0.1773
Feb-08 to Aug-09	Issued on the exercise of outstanding warrants	47,666,000	\$0.10

7-Jul-09	Issued at the option of RCF as payment of \$872,400 in interest that had accrued on the Loan from the period April 1, 2009 to June 30, 2009.	6,548,796	\$0.1332
16-Apr-09	Issued pursuant to the terms of Loan Agreement as the Corporation did not repay the Loan prior to April 13, 2009	3,000,000	N/A
16-Apr-09	Issued at the option of RCF as payment of \$945,675 in interest that had accrued on the Loan from the period January 1, 2009 to March 31, 2009	8,898,271	\$0.1062
15-Jan-09	Issued at the option of RCF as payment of \$760,500 in interest that had accrued on the Loan from the period October 17, 2008 to December 31, 2008	9,248,353	\$0.0823
15-Jan-09	Issued pursuant to the terms of Loan Agreement as the Corporation did not obtain a listing on the TSX or TSX-V prior to December 15, 2008.	1,000,000	N/A

PRICE RANGE AND TRADING VOLUME OF COMMON SHARES

The Common Shares are listed and posted on the TSXV under the trading symbol "AVT". The following table sets out the monthly high and low closing prices and total monthly trading volumes on the TSXV for the indicated periods.

	High	Low	Volume
January 2009	0.11	0.065	747,000
February 2009	0.20	0.085	301,324
March 2009	0.205	0.085	647,720
April 2009	0.16	0.10	328,067
May 2009	0.15	0.10	180,800
June 2009	0.145	0.12	848,150
July 2009	0.15	0.09	651,467
August 2009	0.25	0.12	1,673,830
September 2009	0.22	0.15	703,300
October 2009	0.185	0.12	3,777,740
November 2009	0.30	0.125	4,488,702
December 2009	0.22	0.14	6,236,600
January 2010 (to January 20)	0.29	0.195	6,463,200

On January 20, 2010, the last trading day on which the Common Shares traded prior to announcement of the Offering, the closing price of the Common Shares on the TSXV was \$0.265.

RISK FACTORS

An investment in the Common Shares involves certain risks. Before making an investment decision, prospective investors in the Common Shares should carefully consider all of the information in this short form prospectus and in the documents incorporated by reference herein and, in particular, should evaluate the following risk factors.

Before making an investment decision, you should carefully review the risk factors relating to the Corporation's business and other conditions that may have a material impact on the financial condition of the Corporation referenced in this short form prospectus and the Annual Information Form (particularly pages 43 to 54 thereof), Management Discussion and Analysis (particularly page 9 thereof), Interim Management Discussion & Analysis (particularly pages 8 and 9 thereof) and the other documents incorporated by reference herein. See "Documents Incorporated by Reference".

Risks Relating to Avanti's Business

Avanti depends on a single mineral project

The Kitsault Property accounts for all of the Corporation's mineral resources and reserves and the current potential for the future generation of revenue. Any adverse development affecting the Kitsault Property will have a material adverse effect on the Corporation's business, prospects, financial performance and results of operations.

The successful start of mining operations at, and the development of, the Kitsault Property into a commercially viable mine cannot be assured

There are numerous activities that need to be completed in order to successfully resume production at the Kitsault mine, including, without limitation, completion of a formal feasibility study, optimizing the mine plan, recruiting and training personnel, negotiating contracts for the supply of power, for the sale of molybdenum and for shipping, updating, renewing and obtaining, as required, all necessary permits including, without limitation, environmental permits, and handling any other infrastructure issues. There is no certainty that Avanti will be able to recruit and train personnel, negotiate power supply, molybdenum sales, and shipping agreements on terms acceptable to Avanti, or that Avanti will be able to renew and obtain all necessary permits to start or to continue to operate the Kitsault mine. Most of these activities require significant lead times and Avanti will be required to manage and advance these activities concurrently in order to begin production. A failure or delay in the completion of any one of these activities may delay production, possibly indefinitely, at the Kitsault mine and will have a material adverse effect on the Corporation's business, prospects, financial performance and results of operations.

Additionally, estimates of mineral resources and mineral reserves are, to a large extent, based on the interpretation of geological data obtained from drillholes and other sampling techniques and feasibility studies. This information is used to calculate estimates of the capital cost and operating costs based upon anticipated tonnage and grades of molybdenum to be mined and processed, the configuration of the mineral resource, expected recovery rates, comparable facility and equipment operating costs, anticipated environmental conditions and other factors. As a result, mineral resource and mineral reserve estimates for the Kitsault Property may require adjustments or downward revisions based upon further exploration or development work or actual production experience, adversely impacting the economics of the Kitsault Property. As such, there can be no assurance that the Corporation will be able to complete development of the Kitsault Property at all or on time or to budget due to, among other things, and in addition to those factors described above, the delivery and installation of plant and equipment and cost overruns, or that the current personnel, systems, procedures and controls will be adequate to support operations. Should any of these events occur, it would have a material adverse effect on Avanti's business, prospects, financial performance and results of operations.

Avanti may experience difficulty attracting and retaining qualified management and technical personnel to meet the needs of its anticipated growth

The Corporation is dependent on the services of key executives including the Corporation's Chief Executive Officer and Chief Financial Officer and other highly skilled and experienced executives and personnel focused on managing the Corporation's interests and the advancement of the Kitsault Property, as well as the identification of new opportunities for growth and funding. Due to the Corporation's relatively small size, the loss of these persons or the Corporation's inability to attract and retain additional highly skilled employees required for the development of the Corporation's activities may have a material adverse effect on the Corporation's business or future operations.

In addition, the Corporation anticipates that as it brings the Kitsault Property into production and as the Corporation acquires additional mineral rights, the Corporation will experience significant growth in its operations. The Corporation expects this growth to create new positions and responsibilities for management and technical personnel and to increase demands on its operating and financial systems. There can be no assurance that the Corporation will successfully meet these demands and effectively attract and retain additional qualified personnel to manage its anticipated growth. The failure to attract such qualified personnel to manage growth effectively would have a material adverse effect on the Corporation's business, financial condition and results of operations.

Changes in the market price of base metals, which in the past have fluctuated widely, affect the future profitability of Avanti's operations and financial condition

The Corporation's revenues in the future, if any, are expected to be in large part derived from the sale of base metals. The price of these commodities has fluctuated widely in recent years and is affected by factors beyond the control of the Corporation including, but not limited to, international economic and political trends, changes in industrial demand, currency exchange fluctuations, economic inflation and expectations for the level of economic inflation in the consuming economies, interest rates, global and local economic health and trends, speculative activities and changes in the supply of these commodities due to new mine developments and mine closures. All of these factors will have impacts on the viability of the Kitsault Property that are impossible to predict with certainty.

Avanti will require additional capital in the future and no assurance can be given that such capital will be available at all or available on terms acceptable to Avanti

The Corporation currently has limited financial resources and no source of operating cash flow. Further development and exploration of the Kitsault Property depends upon the Corporation's ability to obtain financing through joint ventures, equity or debt financings, production-sharing arrangements or other means. Since the second half of 2008, there has been a negative trend with regard to the market for metal commodities and related products as a result of the global financial crises, negatively impacting the mining and minerals sectors. This may impact the Corporation's ability to obtain debt or equity financing in the future on terms favourable to the Corporation and the Corporation's ability to enter into strategic partnerships, joint venture arrangements or production sharing arrangements which may further negatively impact the timeline for development of the Kitsault Property. There is no assurance that the Corporation will be successful in obtaining required financing as and when needed. If the Corporation is unable to obtain additional financing under these circumstances, it would continue to consider other options, such as (i) sales of assets, (ii) sales of equity, or (iii) vending of interests in or deposits comprising the Kitsault Property. Failure to obtain additional financing could result in an indefinite postponement of further exploration and development of the Kitsault Property and will have a material adverse effect on the Corporation's business, prospects, financial performance and results of operations.

Avanti has no history of mining operations

The Corporation has no history of mining operations, and there is no assurance that it will successfully produce molybdenum, generate revenue, operate profitably or provide a return on investment in the future. Other factors mentioned in this short form prospectus and in the documents incorporated by reference herein may also prevent Avanti from successfully operating a mine.

Avanti requires various permits in order to conduct its current and anticipated future operations, and delays or a failure to obtain such permits, or a failure to comply with the terms of any such permits that Avanti has obtained, could have a material adverse impact on Avanti

The Corporation's current and anticipated future operations, including further exploration, development activities and commencement of production on the Kitsault Property, requires permits from various Canadian federal, state, provincial, territorial and local governmental authorities. There can be no assurance that all permits which the Corporation requires for the construction of mining facilities and the conduct of mining operations will be obtainable on reasonable terms, or at all. Delays or a failure to obtain such permits, or a failure to comply with the terms of any such permits that the Corporation has obtained, could have a material adverse impact on the Corporation.

The Kitsault Property falls within an area that is subject to the rights of the Nisga'a Nation, and issues in the consultation process may adversely impact Avanti's operations

The Kitsault mine area falls outside of the lands owned by the Nisga'a Nation (the "**Nisga'a**") under the terms of the 1998 Final Nisga'a Agreement, which became effective on May 11, 2000 (the "**Treaty**"). However, it is within the Nass Wildlife Area (as defined in and governed by the Treaty), and as such it is subject to the traditional hunting and fishing rights of the Nisga'a which, among other interests, have been recognized and protected under the terms of the Treaty.

The Treaty states that if the proposed mining activities at the Kitsault mine area may reasonably be expected to have adverse environmental impacts on the Nisga'a people, Nisga'a lands or their Treaty interests, then a specific process for consultation by the federal or provincial government, as the case may be, is set out in the Treaty. In addition, when an environmental assessment is carried out under provincial or federal law, the Treaty grants specific rights to the Nisga'a Nation to participate

in the process. The Treaty also enumerates various requirements that are additional to the requirements under environmental assessment legislation. There can be no guarantee that the consultation process will not create delays in project approval, unexpected interruptions in project progress or result in additional costs to advance the project.

One or more titles to the Kitsault Property cannot be guaranteed and may be subject to prior unregistered agreements, transfers or claims and other defects

The Corporation cannot guarantee that one or more titles to the Kitsault Property will not be challenged. Title insurance is generally not available for mineral properties and the Corporation's ability to ensure that it has obtained secure claim to individual mineral properties or mining concessions comprising the Kitsault Property may be severely constrained. The Kitsault Property may be subject to prior unregistered agreements, transfers or claims, and title may be affected by, among other things, undetected defects. The Corporation has not conducted surveys of all of the claims in which it holds direct or indirect interests. A successful challenge to the precise area and location of these claims could result in the Corporation being unable to operate on all or part of the Kitsault Property as permitted or being unable to enforce its rights with respect to all or part of the Kitsault Property.

The Corporation's ability to claim damages and indemnification in respect of the Kitsault Property is subject to certain limitations

Avanti entered into the Kitsault Purchase and Sale Agreement to purchase the Kitsault Property through a bidding process that concluded with Avanti submitting and ALI accepting an offer letter containing the price and the terms upon which Avanti would be prepared to purchase the Kitsault Property. Avanti's ability to claim damages and be indemnified for breaches of representations of warranties and covenants under the definitive Kitsault Purchase and Sale Agreement is subject to certain limitations. As a result there may be liabilities, obligations or other issues associated with the Kitsault Property that in different circumstances a purchaser would not have assumed or of which Avanti may not be aware.

Avanti has certain risks related to the Convertible Loan

The Amended Loan Agreement contains certain customary operating covenants that limit the discretion of management of the Corporation with respect to certain business matters. These covenants will place restrictions on, among other things, the ability of the Corporation to incur additional indebtedness, to create liens or other encumbrances, to pay dividends or make certain other payments, investments, loans and guarantees and to sell or otherwise dispose of assets and merge or consolidate with another entity.

A failure to comply with the obligations in the Amended Loan Agreement, including the Corporation's inability to comply with the required interest payment obligations under the Amended Loan Agreement, could result in an event of default which, if not cured or waived, could permit acceleration of the relevant indebtedness. If the indebtedness under the Amended Loan Agreement were to be accelerated, there can be no assurance that the Corporation's assets would be sufficient to repay in full that indebtedness.

The figures for Avanti's mineral resource and mineral reserve estimates are based on interpretation and assumptions and may yield less mineral production under actual conditions than is currently estimated

Unless otherwise indicated, mineral resource and mineral reserve figures presented in this short form prospectus and in the Corporation's other filings with securities regulatory authorities, press releases and other public statements that may be made from time to time are based upon estimates made by Corporation personnel and independent geologists. These estimates are imprecise and depend upon geological interpretation and statistical inferences drawn from drilling and sampling analysis, which may prove to be unreliable. There can be no assurance that these estimates will be accurate, the reserves or resource figures will be accurate; or (iii) the mineral reserves could be mined or processed profitably.

Because the Corporation has not commenced production at the Kitsault Property, mineral resource and mineral reserve estimates for the Kitsault Property may require adjustments or downward revisions based upon further exploration or development work or actual production experience. In addition, the grade of ore ultimately mined, if any, may differ from that indicated by drilling results. There can be no assurance that minerals recovered in small-scale tests will be duplicated in large-scale tests under on-site conditions or in production scale.

The resource and reserve estimates contained in this short form prospectus have been determined and valued based on assumed future prices, cut-off grades and operating costs that may prove to be inaccurate. Extended declines in market prices for molybdenum and copper may render portions of the Corporation's mineralization uneconomic and result in reduced reported mineralization. Any material reductions in estimates of mineralization, or of the Corporation's ability to extract this mineralization, could have a material adverse effect on Avanti's results of operations or financial condition.

Avanti's insurance coverage does not cover all of its potential losses, liabilities and damages related to its business and certain risks are uninsured or uninsurable

The Corporation's business is subject to a number of risks and hazards generally, including adverse environmental conditions, industrial accidents, labour disputes or slowdowns, unusual or unexpected geological conditions, cave-ins, changes in the regulatory environment or laws, and natural phenomena such as inclement weather conditions. Such occurrences could result in damage to mineral properties or production facilities, personal injury or death, environmental damage to the Kitsault property or the properties of others, delays in development or mining, monetary losses and possible legal liability.

Although the Corporation maintains insurance to protect against certain risks in such amounts as it considers to be reasonable, its insurance will not cover all the potential risks associated with its operations. The Corporation may also be unable to maintain insurance to cover these risks at economically feasible premiums. Insurance coverage may not continue to be available or may not be adequate to cover any resulting liability. Moreover, insurance against risks such as environmental pollution or other hazards as a result of exploration and production is not generally available to the Corporation or to other companies in the mining industry on acceptable terms. The Corporation might also become subject to liability for pollution or other hazards which may not be insured against or which the Corporation may elect not to insure against because of premium costs or other reasons. Losses from these events may cause the Corporation to incur significant costs that could have a material adverse effect upon its financial performance and results of operations.

Mining operations generally involve a high degree of risk

Mining operations are subject to all the hazards and risks normally encountered in the exploration for and development and production of metals, including unusual and unexpected geologic formations, seismic activity, rock bursts, cave-ins, flooding, variations in grade, deposit size, density and other geological problems, hydrological conditions, metallurgical and other processing problems, mechanical equipment performance problems, the unavailability of materials and equipment including fuel, labour force disruptions, unanticipated transportation costs, unanticipated regulatory changes, unanticipated or significant changes in the costs of supplies including, but not limited to, petroleum, and adverse weather conditions and other conditions involved in the drilling and removal of material, any of which could result in damage to, or destruction of, all or part of the Kitsault Property and other producing facilities, damage to life or property, environmental damage and possible legal liability. Should any of these risks and hazards affect any of Avanti's proposed mining operations, it may cause the cost of production to increase to a point where it would not longer be economic to produce molybdenum from the Kitsault Property, which would have a material and adverse affect on the financial condition, results of operation, and cash flows of the Corporation.

The Corporation is subject to significant governmental regulation

The Corporation's operations and exploration and development activities in Canada are subject to extensive federal, provincial, territorial and local laws and regulation governing various matters, including environmental protection, management and use of toxic substances and explosives, management of natural resources, exploration, development of mines, production and post-closure reclamation, exports, price controls, taxation, regulations concerning business dealings with native groups, labour standards and occupational health and safety, including mine safety, and historic and cultural preservation.

Failure to comply with applicable laws and regulations may result in civil or criminal fines or penalties or enforcement actions, including orders issued by regulatory or judicial authorities enjoining or curtailing operations or requiring corrective measures, installation of additional equipment or remedial actions, any of which could result in the Corporation incurring significant expenditures. The Corporation may also be required to compensate private parties suffering loss or damage by reason of a breach of such laws, regulations or permitting requirements. It is also possible that future laws and regulations, or

a more stringent enforcement of current laws and regulations by governmental authorities, could cause additional expense, capital expenditures, restrictions on or suspensions of the Corporation's operations and delays in the development of the Kitsault Property.

Avanti's activities are subject to environmental laws and regulations that may increase the Corporation's costs of doing business and restrict its operations

All of the Corporation's exploration and production activities in Canada are subject to regulation by governmental agencies under various environmental laws. To the extent that the Corporation conducts exploration activities or undertakes new mining activities in other foreign countries, the Corporation will also be subject to environmental laws and regulations in those jurisdictions. These laws address emission into the air, discharges into water, management of waste, management of hazardous substances, protection of natural resources, antiquities and endangered species and reclamation of lands disturbed by mining operations. Environmental legislation in many countries is evolving and the trend has been towards stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects and increasing responsibility for companies and their officers, directors and employees. Compliance with environmental laws and regulations may require significant capital outlays on behalf of the Corporation and may cause material changes or delays in the Corporation's intended activities. There can be no assurance that future changes in environmental regulations will not adversely affect the Corporation's business, and it is possible that future changes in these laws or regulations could have a significant adverse impact on some portion of the Corporation's business, causing the Corporation to re-evaluate those activities at that time.

Mineral exploration is speculative and uncertain

The exploration for, and development of, mineral deposits involve significant risks. Few properties, which are explored, are ultimately developed into producing mines. Major expenses may be required to locate and establish mineral reserves, to develop metallurgical processes and to construct mining and processing facilities at a particular site. Whether a mineral deposit will be commercially viable depends on a number of factors, which include, without limitation, the particular attributes of the deposit, such as size, grade and proximity to infrastructure, metal prices, which fluctuate widely, and government regulations, including, without limitation, regulations relating to prices, taxes, royalties, land tenure, land use, importing and exporting of minerals and environmental protection. The combination of these factors may result in Avanti expending significant resources (financial and otherwise) on a property without receiving a return.

The Corporation is currently subject to legal proceedings the outcome of which may have a material adverse effect on the Corporation

On September 16, 2008 the Corporation announced that it had been denied access to the ghost town of Kitsault by its owner, Kitsault Resorts Ltd. The Corporation has statutory rights of way to use the roads within the town of Kitsault for mine related activities. As a result, the Corporation filed a complaint in the British Columbia Supreme Court seeking : (1) a declaration that it is entitled to use the access in the town and (2) a permanent injunction preventing Kitsault Resorts Ltd. from denying the Corporation's use of the right of way. Avanti requires access to the Kitsault townsite in order to access the Roundy Creek deposit area of the Kitsault Property. If this litigation is not resolved in the Corporation's favour then it will have to utilize other means of access to Roundy Creek, which are less convenient and will result in additional costs.

Additionally, Avanti may be subject to future legal disputes and if Avanti is unable to resolve these disputes favourably, it may have a material adverse impact on Avanti's financial performance, cash flow and results of operations.

Increased competition could adversely affect Avanti's ability to attract necessary capital funding or acquire suitable producing properties or prospects for mineral exploration in the future

The mining industry is intensely competitive. Significant competition exists for the acquisition of properties producing or capable of producing gold or other metals. The Corporation may be at a competitive disadvantage in acquiring additional mining properties because it must compete with other individuals and companies, many of which have greater financial resources, operational experience and technical capabilities than the Corporation. The Corporation may also encounter increasing competition from other mining companies in its efforts to hire experienced mining professionals. Competition for exploration resources at all levels is currently very intense, particularly affecting the availability of manpower, drill rigs and

helicopters. Increased competition could adversely affect the Corporation's ability to attract necessary capital funding or acquire suitable producing properties or prospects for mineral exploration in the future.

Avanti has a history of losses and expects to incur losses for the foreseeable future

The Corporation has incurred losses since its inception and the Corporation expects to incur losses for the foreseeable future. The Corporation expects to continue to incur losses unless and until such time as the Kitsault Property enters into commercial production and generate sufficient revenues to fund continuing operations. The development of the Kitsault property will require the commitment of substantial financial resources. The amount and timing of expenditures will depend on a number of factors, including the progress of ongoing exploration and development, the results of consultant analysis and recommendations, the rate at which operating losses are incurred, the execution of any joint venture agreements with strategic partners, and the Corporation's acquisition of additional properties, some of which are beyond the Corporation's control. There can be no assurance that the Corporation will ever achieve profitability.

Situations may arise where Avanti's directors and officers are in direct competition with the Corporation

Some of the directors and officers are engaged and will continue to be engaged in the search for additional business opportunities on behalf of other corporations, and situations may arise where these directors and officers will be in direct competition with the Corporation. Conflicts, if any, will be dealt with in accordance with the relevant provisions of the Business Corporations Act (British Columbia). Some of the directors and officers of the Corporation are or may become directors or officers of other companies engaged in other business ventures.

Avanti does not have a dividend history or policy

No dividends on the Common Shares have been paid by Avanti to date. Avanti anticipates that for the foreseeable future it will retain future earnings and other cash resources for the operation and development of its business. Payment of any future dividends will be at the discretion of the Avanti's board of directors' after taking into account many factors, including Avanti's operating results, financial condition and current and anticipated cash needs.

RCF is a significant shareholder of the Corporation and can potentially acquire over 2/3 of the Common Shares of the Corporation

RCF holds approximately 55.33% of the Corporation's issued and outstanding Common Shares and if has the ability to convert the Convertible Loan into further units of Avanti and the right to receive interest payments on the Convertible Loan in Common Shares. Due to RCF's significant shareholdings in the Corporation, other than in respect of transactions in which RCF has an interest that is different from the interests of other Avanti shareholders such that applicable securities laws would require approval by Avanti's minority shareholders, RCF may be able to control the outcome of any corporate transaction or other matter submitted to RCF's shareholders for approval, including a merger or the sale of all or substantially all of Avanti's assets, and also can prevent or cause a change in control. The interests of RCF may conflict with the interests of Avanti's other shareholders. In addition, third parties may be discouraged from making a tender offer or bid to acquire Avanti because of this concentration of ownership.

Risks Relating to the Offering

Common Share Price Volatility

There can be no assurance that an active market for the Common Shares will be sustained after the Offering. Securities of mining companies have experienced substantial volatility in the past, and especially during the last year, often based on factors unrelated to the financial performance or prospects of the companies involved. These factors include macroeconomic developments in North America and globally, and market perceptions of the attractiveness of particular industries. The price of the securities of the Corporation is also likely to be significantly affected by short-term changes in commodity prices, other precious metal prices or other mineral prices, currency exchange fluctuations, financial condition or results of operations as reflected in its quarterly earnings reports. Other factors unrelated to the performance of the Corporation that may have an effect on the price of the securities of the Corporation include the following: the extent of analytical coverage available to investors concerning the business of the Corporation may be limited if investment banks with research

capabilities do not follow the Corporation's securities; lessening in trading volume and general market interest in the Corporation's securities may affect an investor's ability to trade significant numbers of securities of the Corporation; the size of the Corporation's public float may limit the ability of some institutions to invest in the Corporation's securities; and a substantial decline in the price of the securities of the Corporation that persists for a significant period of time could cause the Corporation's securities to be delisted from an exchange, further reducing market liquidity. If an active market for the securities of the Corporation does not continue, the liquidity of an investor's investment may be limited and the price of the securities of the Corporation may decline below the Offering Price. As a result of any of these factors, the market price of the securities of the Corporation at any given point in time may not accurately reflect the long-term value of the Corporation. Securities class-action litigation often has been brought against companies following periods of volatility in the market price of their securities. The Corporation may in the future be the target of similar litigation. Securities litigation could result in substantial costs and damages and divert management's attention and resources.

Dilution from Further Equity Financings

In order to finance future operations, the Corporation may raise funds through the issuance of Common Shares or the issuance of debt instruments or other securities convertible into Common Shares. The Corporation cannot predict the size of future issuances of Common Shares or the size and terms of future issuances of debt instruments or other securities convertible into Common Shares or the effect, if any, that future issuances and sales of the Corporation's securities will have on the market price of the Common Shares. Any transaction involving the issuance of previously authorized but unissued shares, or securities convertible into Common Shares, would result in dilution, possibly substantial, to present and prospective security holders.

Discretion in the Use of Proceeds

Management will have discretion concerning the use of the proceeds of the Offering as well as the timing of their expenditures. As a result, an investor will be relying on the judgment of management for the application of the proceeds of the Offering. Management may use the net proceeds of the Offering in ways that an investor may not consider desirable. The results and the effectiveness of the application of the proceeds are uncertain. If the proceeds are not applied effectively, the Corporation's results of operations may suffer.

Warrants

Since the Corporation does not intend to apply for listing of the Warrants on any securities exchange, there is no public market for the Warrants. There can be no assurance that a secondary market for the Warrants will develop or be sustained after the Closing Date. Even if a market develops for the Warrants, there can be no assurance that it will be liquid and that the price of the Warrants will be the same as the price allocated for the Warrants comprising the Units.

CERTAIN CANADIAN FEDERAL INCOME TAX CONSIDERATIONS

In the opinion of Blake, Cassels & Graydon LLP, counsel to the Corporation, and Stikeman Elliott LLP, counsel to the Underwriters, the following is, as of the date of this short form prospectus, a summary of the principal Canadian federal income tax considerations under the Tax Act generally applicable to an investor (a "**Holder**") who acquires Units pursuant to the Offering and who, for the purposes of the Tax Act, at all relevant times: (i) will hold the Common Shares and Warrants comprising the Units as capital property; (ii) deals at arm's length with and is not affiliated with the Corporation; (iii) is not a "financial institution" for purposes of the mark-to-market property rules or a "specified financial institution"; (iv) is or is deemed, for the purposes of the Tax Act, to be resident in Canada, and (v) has not made a functional currency reporting election. This summary is not applicable to a Holder an interest in which would be a "tax shelter investment" under the Tax Act. Generally, the Common Shares and Warrants comprising the Units will be considered to be capital property to a Holder provided that the Holder does not hold such securities in the course of carrying on a business and has not acquired them in one or more transactions considered to be an adventure in the nature of trade. Certain of such persons to whom Common Shares might not constitute capital property may make, in certain circumstances, an irrevocable election permitted by subsection 39(4) of the Tax Act to have the Common Shares, and all other "Canadian securities" as defined in the Tax Act, held by such persons in the taxation year of the election and in all subsequent taxation years deemed to be capital property. This election does not apply to warrants. Holders should consult their own tax advisors regarding this election.

This summary is based on the current provisions of the Tax Act and regulations thereto and counsel's understanding of the current published administrative policies and assessing practices of the Canada Revenue Agency (the "CRA") as of the date hereof. This summary takes into account all specific proposals to amend the Tax Act and regulations thereto publicly announced by or on behalf of the Minister of Finance (Canada) prior to the date hereof (the "Tax Proposals") and assumes that the Tax Proposals will be enacted in the form proposed, although no assurance can be given that the Tax Proposals will be enacted in their current form or at all. This summary does not otherwise take into account any changes in law or in the administrative policies or assessing practices of the CRA, whether by legislative, governmental or judicial decision or action, nor does it take into account or consider any provincial, territorial or foreign income tax considerations, which considerations may differ significantly from the Canadian federal income tax considerations discussed in this summary.

This summary is of a general nature only and is not intended to be, nor should it be construed to be, legal or tax advice to any particular Holder. This summary is not exhaustive of all Canadian federal income tax considerations applicable to a Holder acquiring Units pursuant to the Offering. Accordingly, prospective Holders are urged to consult their own tax advisors with respect to their particular circumstances.

For the purposes of the Tax Act, all amounts relating to the acquisition, holding and disposition of Common Shares (including dividends, adjusted cost base and proceeds of disposition) must be expressed in Canadian dollars.

Allocation of Purchase Price

A Holder must allocate the total purchase price of a Unit on a reasonable basis between the Common Share and the one-half of a Warrant comprising such Unit to determine the cost to such Holder of each security for purposes of the Tax Act. For its purposes, the Corporation intends to allocate \$● of the Offering Price as consideration for the issue of each Common Share and \$● of the Offering Price as consideration for the issue of each one-half of a Warrant. Although the Corporation believes that its allocation is reasonable, it is not binding on the CRA or the Holder.

Exercise or Expiry of Warrants

No gain or loss will be realized by a Holder upon the exercise of a Warrant to acquire a Common Share. When a Warrant is exercised, the Holder's cost of the Common Share acquired thereby will be equal to the aggregate of the Holder's adjusted cost base of such Warrant and the exercise price paid for the Common Share. The Holder's adjusted cost base of the Common Share so acquired will be determined by averaging the cost of those Common Shares with the adjusted cost base (determined immediately before the exercise of the Warrant and acquisition of Common Shares related thereto) to the Holder of all other Common Shares held by the Holder as capital property at that time. The expiry of an unexercised Warrant will generally result in a capital loss to the Holder equal to the adjusted cost base of the Warrant to the Holder immediately before its expiry. See the discussion below under the heading "Dispositions of Common Shares and Warrants".

Dispositions of Common Shares and Warrants

A Holder who disposes of or is deemed to dispose of Common Shares or Warrants (other than upon the exercise thereof) generally will realize a capital gain (or a capital loss) equal to the amount by which the Holder's proceeds of disposition, net of any reasonable costs of disposition, exceed (or are exceeded by) the adjusted cost base of such Common Shares or Warrants to the Holder immediately before the disposition. Generally, one-half of any capital gain (a "taxable capital gain") realized by a Holder must be included in income for the taxation year of disposition and one-half of any capital loss (an "allowable capital loss") realized may normally be deducted by the Holder against any taxable capital gains realized in the same taxation year. Any excess of allowable capital losses over taxable capital gains for the year of disposition is generally deductible against net taxable capital gains realized in any of the three prior taxation years or in any subsequent taxation year in the circumstances and to the extent described in the Tax Act.

The amount of any capital loss realized on the disposition or deemed disposition of a Common Share by a Holder that is a corporation may be reduced by the amount of dividends received or deemed to be received by the Holder on such Common Share, or a share substituted for such share, in the circumstances and to the extent described in the Tax Act. Similar rules may apply where a corporation is, directly or through a trust or partnership, a member of a partnership or a beneficiary of a trust which owns Common Shares.

A Holder that is throughout the relevant taxation year a "Canadian-controlled private corporation" (as defined in the Tax Act) may be subject to an additional refundable tax of $6\frac{2}{3}\%$ in respect of its "aggregate investment income" (which is defined in the Tax Act to include an amount in respect of taxable capital gains).

Dividends

Dividends received or deemed to be received by a Holder on the Common Shares will be included in computing the Holder's income for purposes of the Tax Act. In the case of a Holder that is an individual (other than certain trusts), such dividends will be subject to the gross-up and dividend tax credit rules normally applicable to taxable dividends received from taxable Canadian corporations, including the enhanced gross-up and dividend tax credit provisions where the Corporation provides notice to the recipient designating the dividend as an "eligible dividend". There may be limitations on the ability of the Corporation to designate dividends as "eligible dividends". Dividends received or deemed to be received on the Common Shares by a Holder that is a corporation will generally be deductible in computing its taxable income.

"Private corporations" (as defined in the Tax Act) and certain other corporations controlled by or for the benefit of an individual (other than a trust) or related group of individuals (other than trusts) generally will be liable to pay a refundable tax of 33% on dividends received or deemed to be received on the Common Shares to the extent that such dividends are deductible in computing the corporation's taxable income. Holders to whom these rules may be relevant should consult their own tax advisors.

Minimum Tax

Capital gains realized and dividends received by a Holder that is an individual or a trust, other than certain specified trusts, may give rise to minimum tax under the Tax Act. Holders should consult their own tax advisors with respect to the application of minimum tax.

LEGAL MATTERS

Certain legal matters related to the Offering will be passed upon by Blake, Cassels and Graydon LLP, on behalf of the Corporation and, Stikeman Elliott LLP, on behalf of the Underwriters. As at the date hereof, the partners and associates of each of Blake, Cassels and Graydon LLP, as a group, each owned, directly or indirectly, less than 1% of the outstanding Common Shares. As at the date hereof, the partners and associates of Stikeman Elliott LLP, as a group, each owned, directly or indirectly, less than one percent of the securities of the Corporation.

INTEREST OF EXPERTS

The disclosure with respect to the Kitsault Property contained in this short form prospectus is based on the pre-feasibility study dated December 15, 2009 and entitled "NI 43-101 Pre-Feasibility Study – Avanti Mining Inc. Kitsault Molybdenum Property, British Columbia, Canada" prepared by Wardrop Engineering Inc., a Tetra Tech Company and jointly prepared by Mr. Jeffrey Volk (P.Geo.) and Mr. Michael Levy (P.E., P.G.) of SRK Consulting (U.S.) Inc., Mr. Peter Healey (P.Eng), Mr. Michael Royle (P.Geo.) and Mr. Stephen Day (P.Geo.) of SRK Consulting (Canada) Inc., Mr. Miloje Vicentijevic (P.Eng.), Mr. Frank Grills (P.Eng.) and Mr. Andre de Ruijter (P.Eng.) of Wardrop Engineering Inc., a Tetra Tech Company, Mr. Deepak Malhotra (P.Eng.) of Resource Development Inc., Mr. Ken Brouwer (P.Eng.) of Knight Piésold Ltd. and Mr. Rolf Schmitt (P.Geo.) of Rescan Environmental Services Ltd., each a qualified person as defined in NI 43-101.

To the best knowledge of the Corporation, none of the qualified persons referenced above has any interest in any securities of the Corporation or its associates or affiliates, nor do they expect to receive or acquire any such interests, and, as at the date hereof, the aforementioned persons beneficially own, directly or indirectly, in the aggregate, less than one percent of the securities of the Corporation.

PricewaterhouseCoopers LLP is the auditor of the Corporation and has advised the Corporation that it is independent within the meaning of the Rules of Professional Conduct of the Institute of Chartered Accountants of British Columbia.

AUDITORS, TRANSFER AGENT AND REGISTRAR

The auditors of the Corporation are PricewaterhouseCoopers LLP.

Computershare Investor Services Inc. is the transfer agent and registrar for the Common Shares at its principal office in Vancouver, British Columbia.

PURCHASER'S STATUTORY RIGHTS OF WITHDRAWAL AND RESCISSION

Securities legislation in certain of the provinces of Canada provides purchasers with the right to withdraw from an agreement to purchase securities. This right may be exercised within two business days after receipt or deemed receipt of a prospectus and any amendment. In several of the provinces, the securities legislation further provides a purchaser with remedies for rescission or, in some jurisdictions, revisions of the price or damages if the prospectus and any amendment contains a misrepresentation or is not delivered to the purchaser, provided that the remedies for rescission, revision of the price or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province for the particulars of these rights or consult with a legal adviser.

AUDITORS' CONSENT

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We have read the short form prospectus of Avanti Mining Inc. (the "**Corporation**") dated •, 2010 qualifying for distribution • Units of the Corporation. We have complied with Canadian generally accepted standards for an auditor's involvement with offering documents.

We consent to the incorporation by reference in the above-mentioned short form prospectus of our report to the shareholders of the Corporation on the consolidated balance sheets of the Corporation as at January 31, 2009 and 2008, and the consolidated statements of loss, comprehensive loss and deficit and cash flows for the years then ended. Our report is dated May 6, 2009.

Vancouver, British Columbia

•, 2010

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Chartered Accountants

CERTIFICATE OF THE CORPORATION

Dated: January 21, 2010

This short form prospectus, together with the documents incorporated herein by reference, constitutes full, true and plain disclosure of all material facts relating to the securities offered by this short form prospectus as required by the securities legislation of the provinces of British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, New Brunswick, Nova Scotia, Newfoundland and Labrador and Prince Edward Island..

(Signed) "Craig J. Nelsen"

Chief Executive Officer

(Signed) "Amjad J. Ali"

Chief Financial Officer

On behalf of the Board of Directors

(Signed) "Peter Barnes"

Director

(Signed) "Robert Cross"

Director

CERTIFICATE OF UNDERWRITERS

Dated: January 21, 2010

To the best of our knowledge, information and belief, this short form prospectus, together with the documents incorporated herein by reference, constitutes full, true and plain disclosure of all material facts relating to the securities offered by this short form prospectus as required by the securities legislation of the provinces of British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, New Brunswick, Nova Scotia, Newfoundland and Labrador and Prince Edward Island.

BMO NESBITT BURNS INC.

By: (Signed) "Jason Attew",
Managing Director

GMP SECURITIES L.P.

By: (Signed) "Mark Wellings",
Managing Director, Investment Banking

MACQUARIE CAPITAL MARKETS
CANADA LTD.

By: (Signed) "Ken Gillis"
Executive Director, Mining

