

BUILDING THE ANTAS COPPER MINE

AGM Presentation
26 June 2015 – Sydney

FORWARD LOOKING STATEMENTS

The announcement may contain certain forward-looking statements. Words 'anticipate', 'believe', 'expect', 'forecast', 'estimate', 'likely', 'intend', 'should', 'could', 'may', 'target', 'plan', 'potential' and other similar expressions are intended to identify forward-looking statements. Indication of, and guidance on, future costings, earnings and financial position and performance are also forward-looking statements.

Such forward-looking statements are not guarantees of future performance, and involve known and unknown risks, uncertainties and other factors, many of which are beyond the control of Avanco Resources Ltd, its officers, employees, agents and associates, which may cause actual results to differ materially from those expressed or implied in such forward-looking statements.

Actual results, performance, or outcomes may differ materially from any projections or forward-looking statements or the assumptions on which those statements are based.

You should not place any undue reliance on forward-looking statements and neither Avanco nor its directors, officers, employees, servants or agents assume any responsibility to update such information.

Additional Information - All project costs in US\$

CORPORATE

ASX Code	AVB
Issued Shares	2.475b
Options	84.5m
52 week range	6<12c
Market Cap @ \$0.07	172
Cash	72
Enterprise Value	100

Major Shareholders	~%
Glencore	9
BlackRock	14
Appian Natural Resources	17
Greenstone Resources	17
	57

Board Members

Independent Chairman	Colin Jones
Managing Director	Tony Polglase
Director - Exploration	Simon Mottram
Director - Operations	Wayne Phillips
Director - Legal/Regulatory	Luis Azevedo
Director & CompSec	Scott Funston

INVESTMENT OUTLOOK

Aiming for mid-tier status by production and exploration

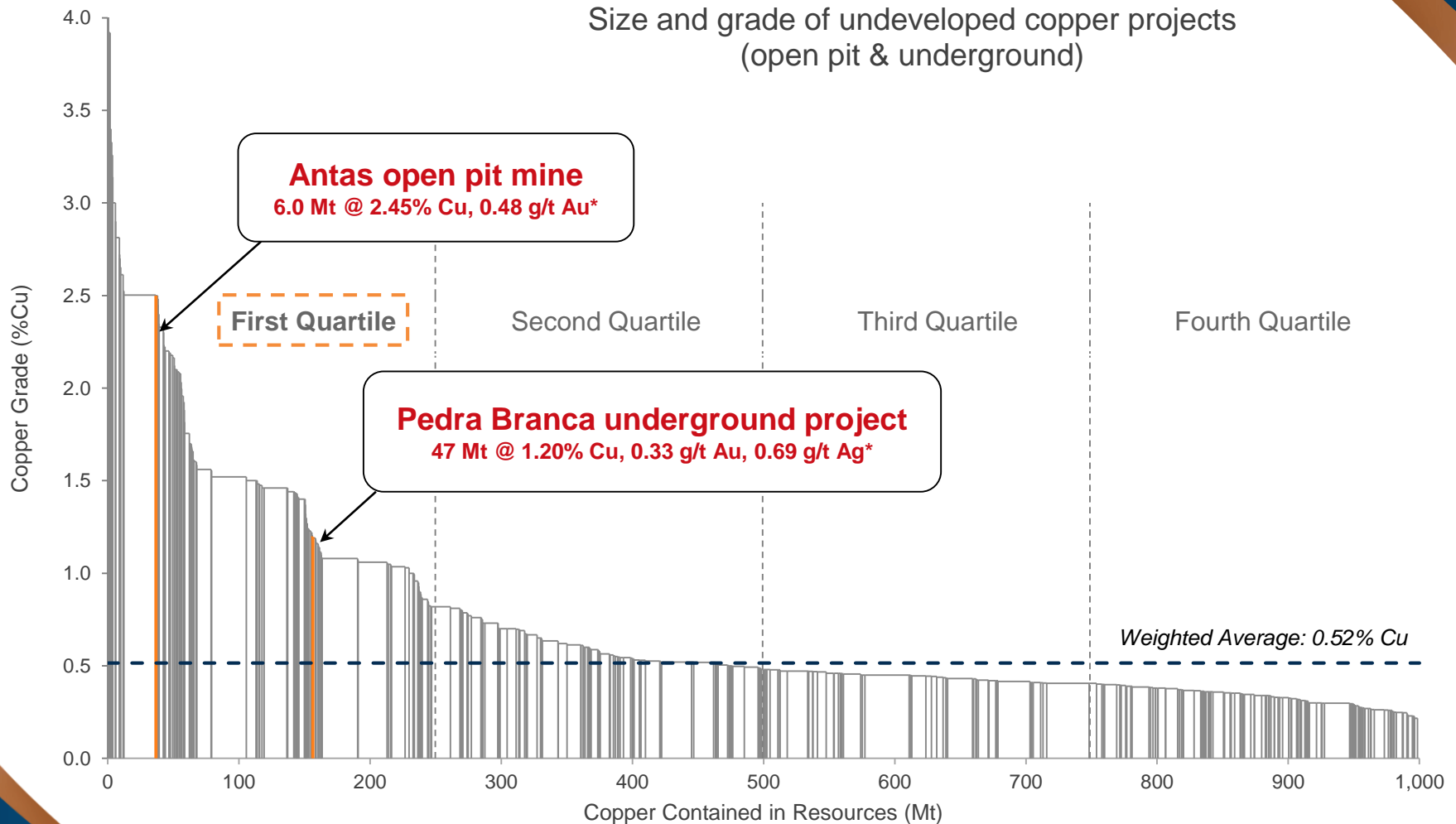
- **Avanco is the only aspiring copper producer in construction on the ASX**
- **The Company's institutional investors are specialists in the sector & have positive views on copper**
- **Antas C1 & C3 costs expected to be in lower quartile**
- **Being debt and covenant free reduces costs & exposure to financial risk**
- **2nd largest tenure in the region behind ValeSA, Avanco continues to seek greater value for shareholders by pursuing new discoveries**

OVERVIEW

- **An emerging mid-tier copper company focussed on the mining friendly and world class Carajás Mineral Province in Brazil**
- **The Company is potentially well positioned to develop and operate a number of high grade, low cost copper-gold mines in the region, which will establish Avanco as a profitable long life copper producer**
- **Avanco's first (Stage 1) project is under construction**

PROJECTS BENCHMARKING

Antas (OP) & Pedra Branca (UG) both in 1st quartile



Source: SNL Mining & Metals, Terra Studio. Undeveloped copper projects with more than 150,000t of contained copper metal

* Please refer to Appendix for complete mineral resource and ore reserve tables

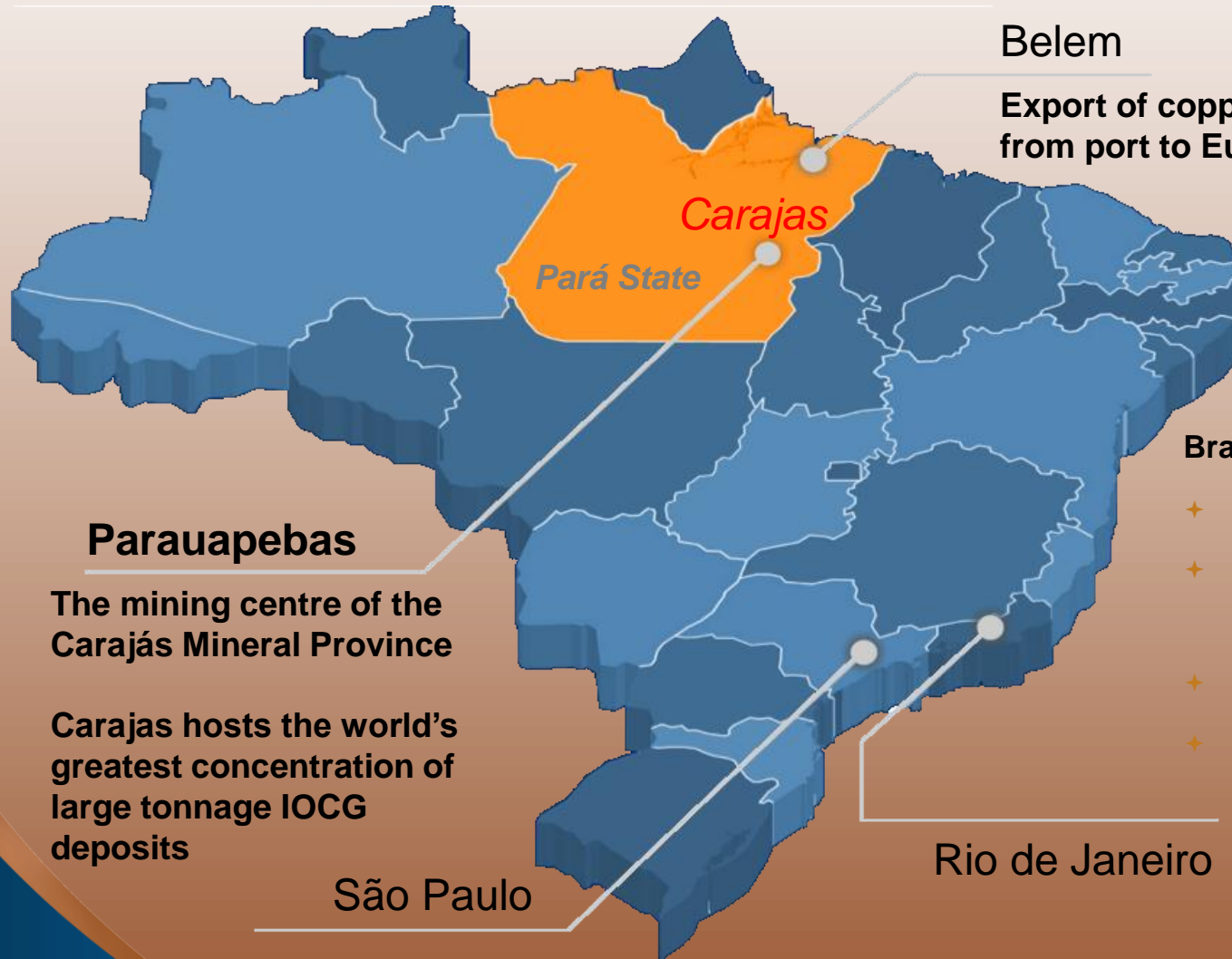
STRATEGY & VISION

A staged approach to building a copper company

- 1. Building the Antas Mine (Stage 1) and produce 2016:**
 - ✦ ~12,000 tpa copper in concentrate, and
 - ✦ ~7,000 ozpa gold credits
- 2. Develop the Pedra Branca Project (Stage 2)**
- 3. Discover / Acquire additional projects**

PROJECTS LOCATION

In one of the best endowed mineral district in the world



Belem

Export of copper concentrates
from port to Europe or Asia

Carajas

Pará State

Parauapebas

The mining centre of the
Carajás Mineral Province

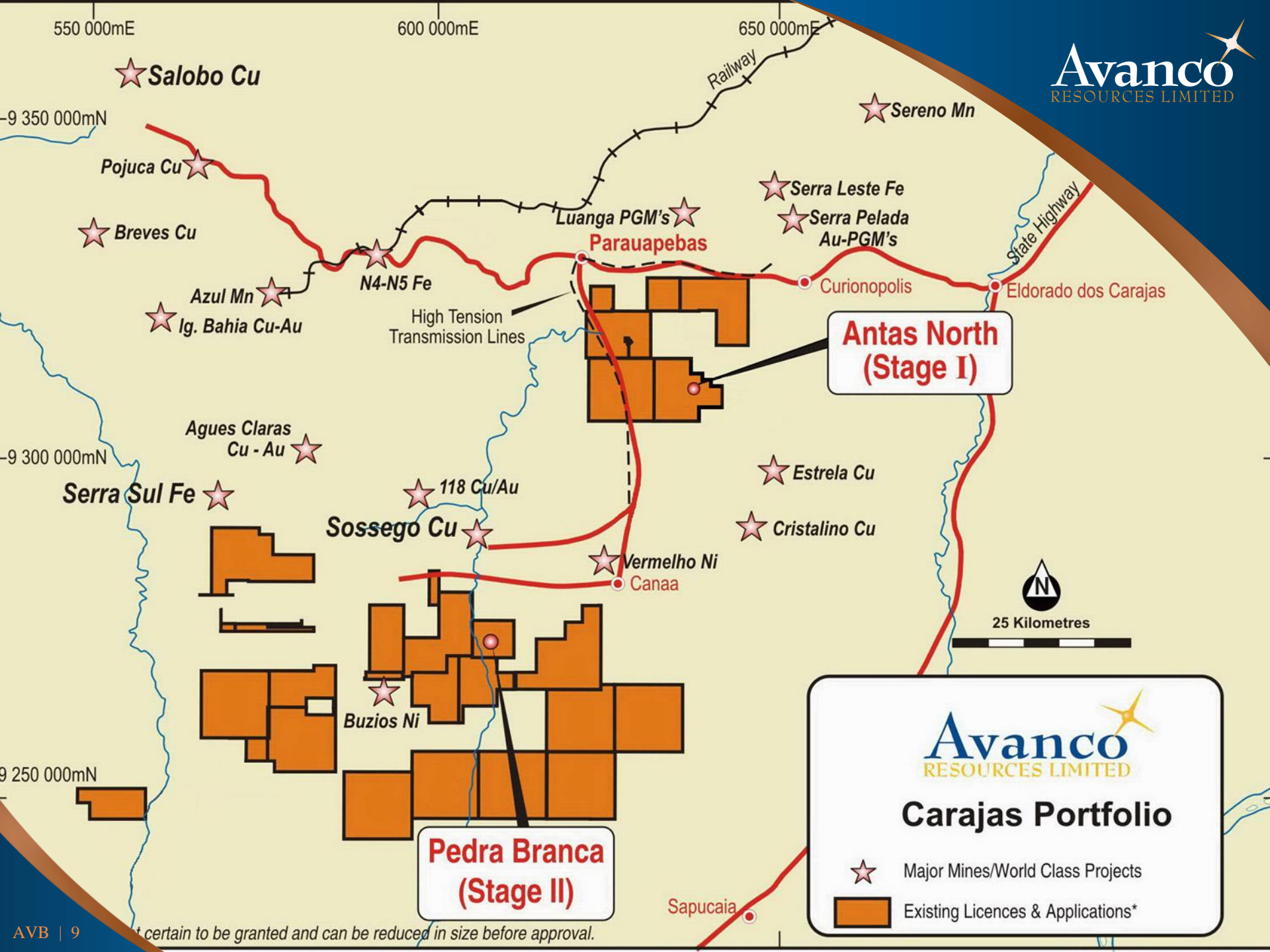
Carajas hosts the world's
greatest concentration of
large tonnage IOCG
deposits

São Paulo

Rio de Janeiro

Brazil supports export industries:

- ✦ Favorable State royalty rates
- ✦ Corporate tax incentives in Northern States (~16%)
- ✦ Wages linked to CPI
- ✦ Mining friendly jurisdiction



**Antas North
(Stage I)**

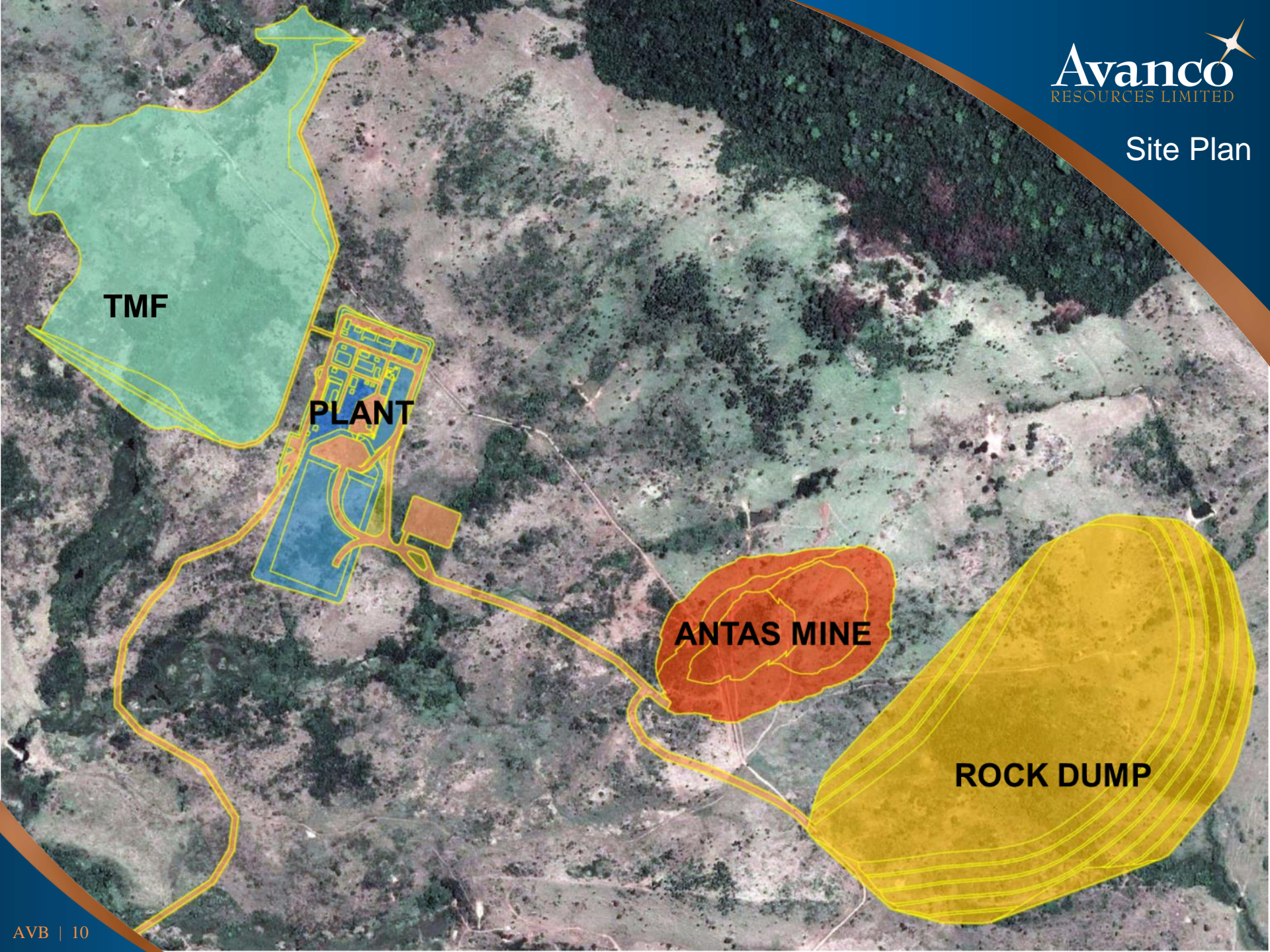
**Pedra Branca
(Stage II)**

Avanco
RESOURCES LIMITED

Carajas Portfolio

- ★ Major Mines/World Class Projects
- Existing Licences & Applications*





TMF

PLANT

ANTAS MINE

ROCK DUMP

FINANCING UPDATE

- High market capital value of AVB provided opportunity to secure funds & negate debt delay which jeopardised construction in the dry

- Stage 1 funding \$78m or (US\$60m)

- \$2m potentially available for Stage 2

- \$2m allocation for exploration

- Antas takes precedence

	SOURCE OF FUNDS	\$M
ANTAS BUDGET	Placement	20
	Entitlement	17
	Shortfall	26
	New Funds Received	<u>63</u>
	Expected Royalty Funds	<u>15</u>
	Total Funding for Antas	78
	Cash at Bank	~72*

* Before costs of financing

DEVELOPMENT BUDGET

➤ **Construction forecast US\$53m including contingency**

➤ **2.5 months (US\$7m) Working Capital**

➤ **~US\$3m spent to date**

➤ **~US\$5m committed to date**

➤ **Early days but costs are in budget & contingency not drawn**

AREA	~US\$
Mine	5.0
Infrastructure	7.4
Plant	25.0
TMF	3.4
Engineering	5.0
Contingency	7.0
Working Capital	<u>7.0</u>
Total	~60.0

HEALTH & SAFETY

The Board believes all harm is preventable



A fully equipped ambulance on site

MINING - UPDATE

- **Manager Mining for Stage 1 identified**
- **Contract mining elected, reduces Capex & mitigates risk**
- **Avanco management free to focus on: planning, grade control & extraction optimisation**
- **Tendering process completed, LOI issued to international group with local experience**
- **Mobilisation of contractor planned for July**
- **Mining schedules to be finalised / agreed with contractor aimed at minimising start-up risk for both parties**

MINING FLEET

- **Excavator - Liebherr R9100 + CAT 974 backup**
- **Trucks - Volvo A40F's**
- **Dozer - CAT D8T**
- **Grader - CAT 14M**
- **Drilling - CAT MD5150C**



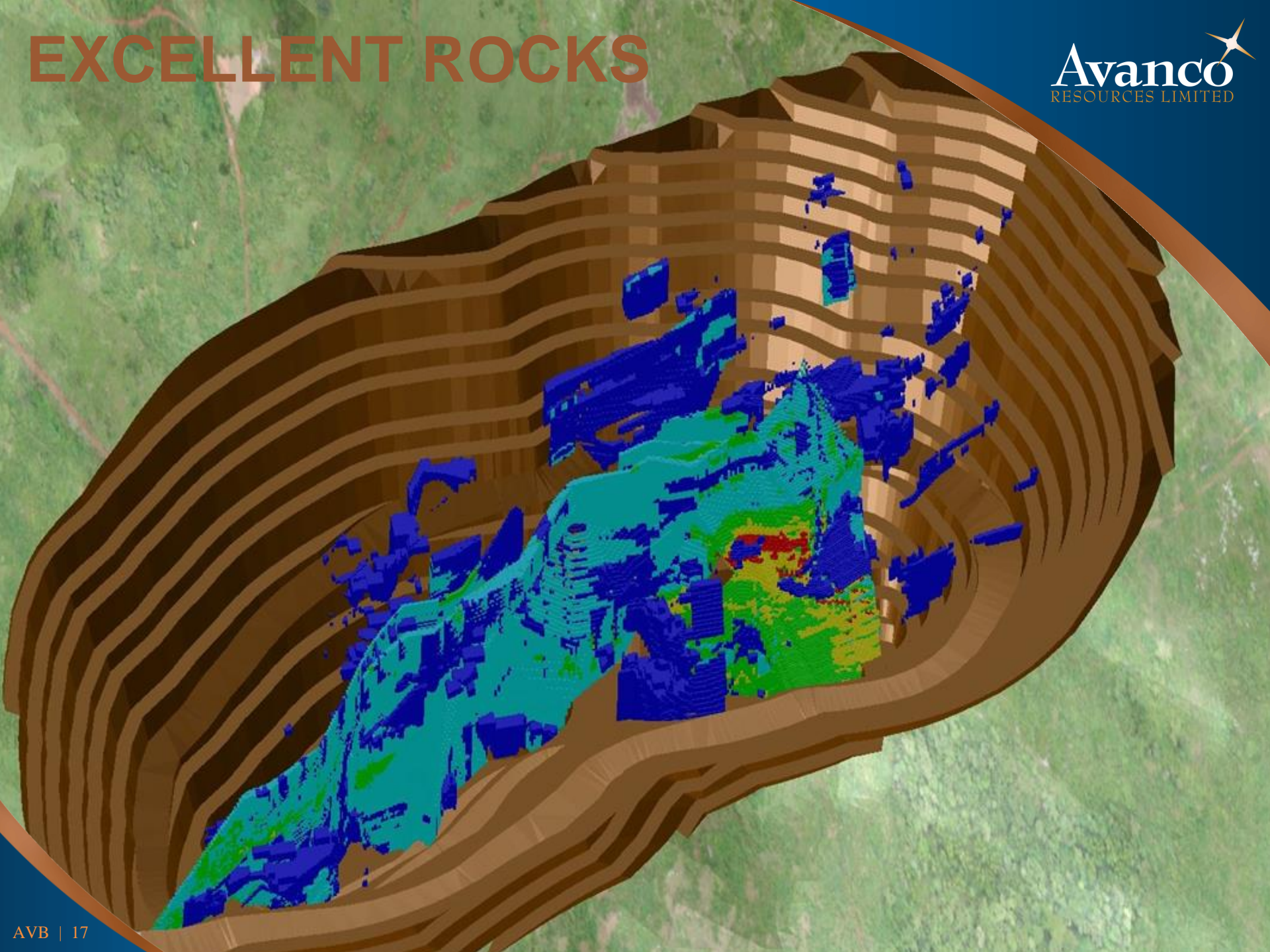
Pit Shell

GRADE CONTROL



- **Geo-statistical study complete, Grade Control designed**
- **Drilling ~2,000m on 5m x 5m grid over primary mineralisation close to surface within Stage 1 pit**
- **Follow-up will determine parameters for the day-to-day Grade Control activities at the mine**
- **Drilling started today**

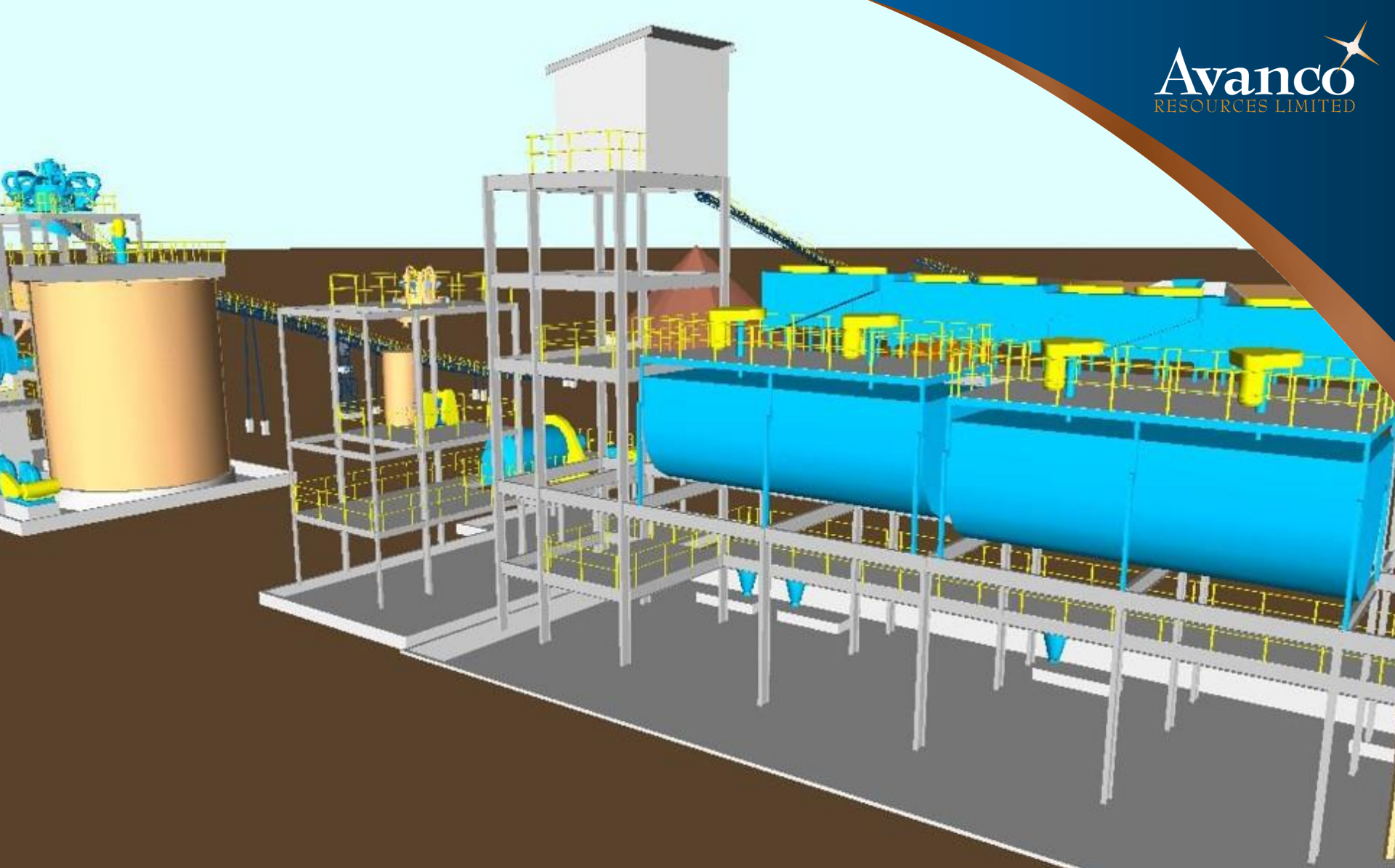
EXCELLENT ROCKS



ANTAS MILESTONES

➤ **An aggressive build programme is being pursued**

Start Civils	June
Commence Open Pit Pre-Strip	August
Start Mech-Elect Installation	August
Complete Earthworks	September
Complete Tailings Dam	November
Complete Power Line	October
Low grade ore to ROM pad	December
Start Commissioning	December
Ramp-up on high-grade ore	March 2016
Dispatch first concentrates	March 2016



PLANT UPDATE

CUT & FILL WELL ADVANCED



BUILDING ANTAS

TMF

ROM
PAD

FILTER

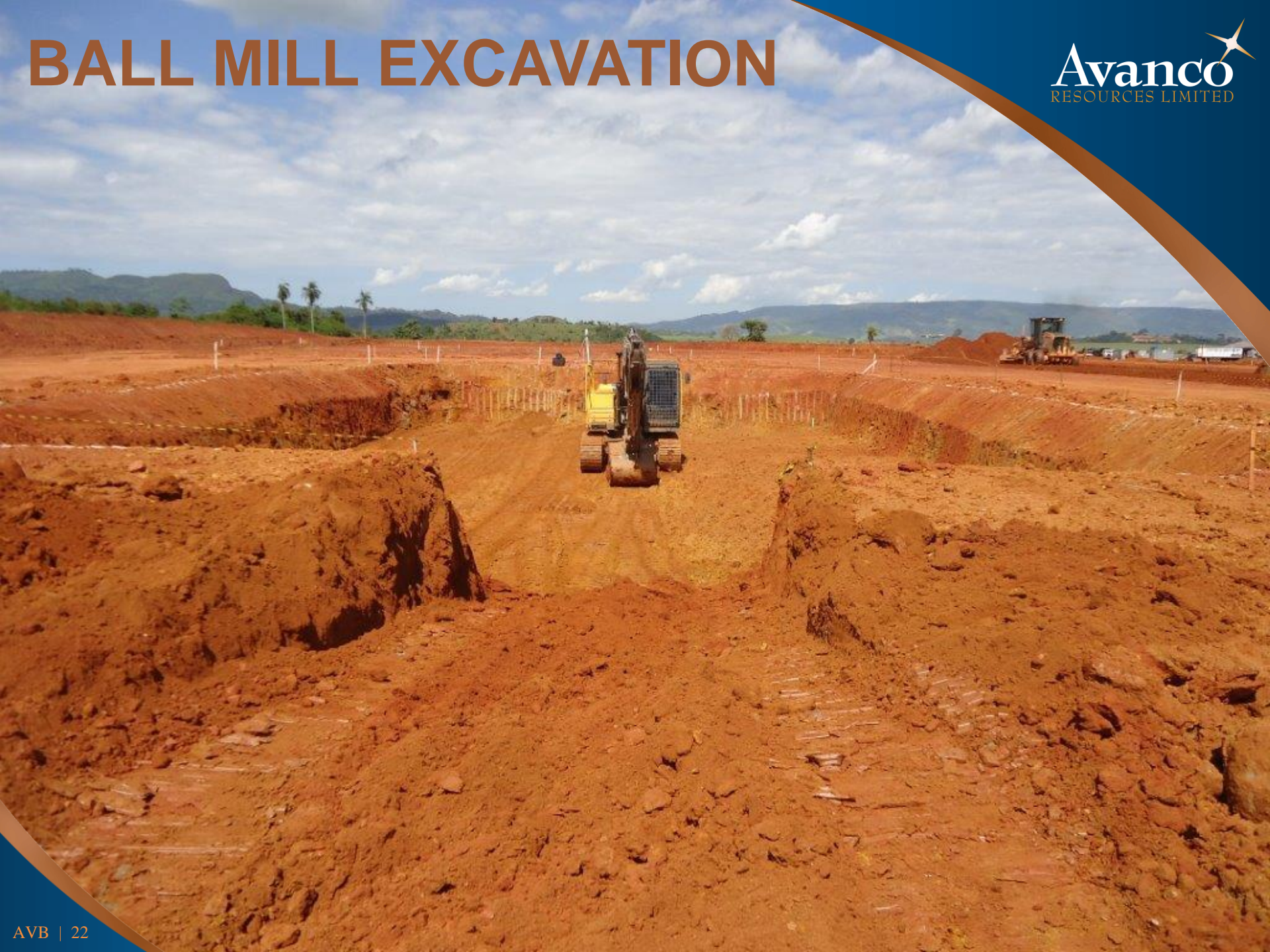
FLOAT
PLANT

CRUSHING

MILL

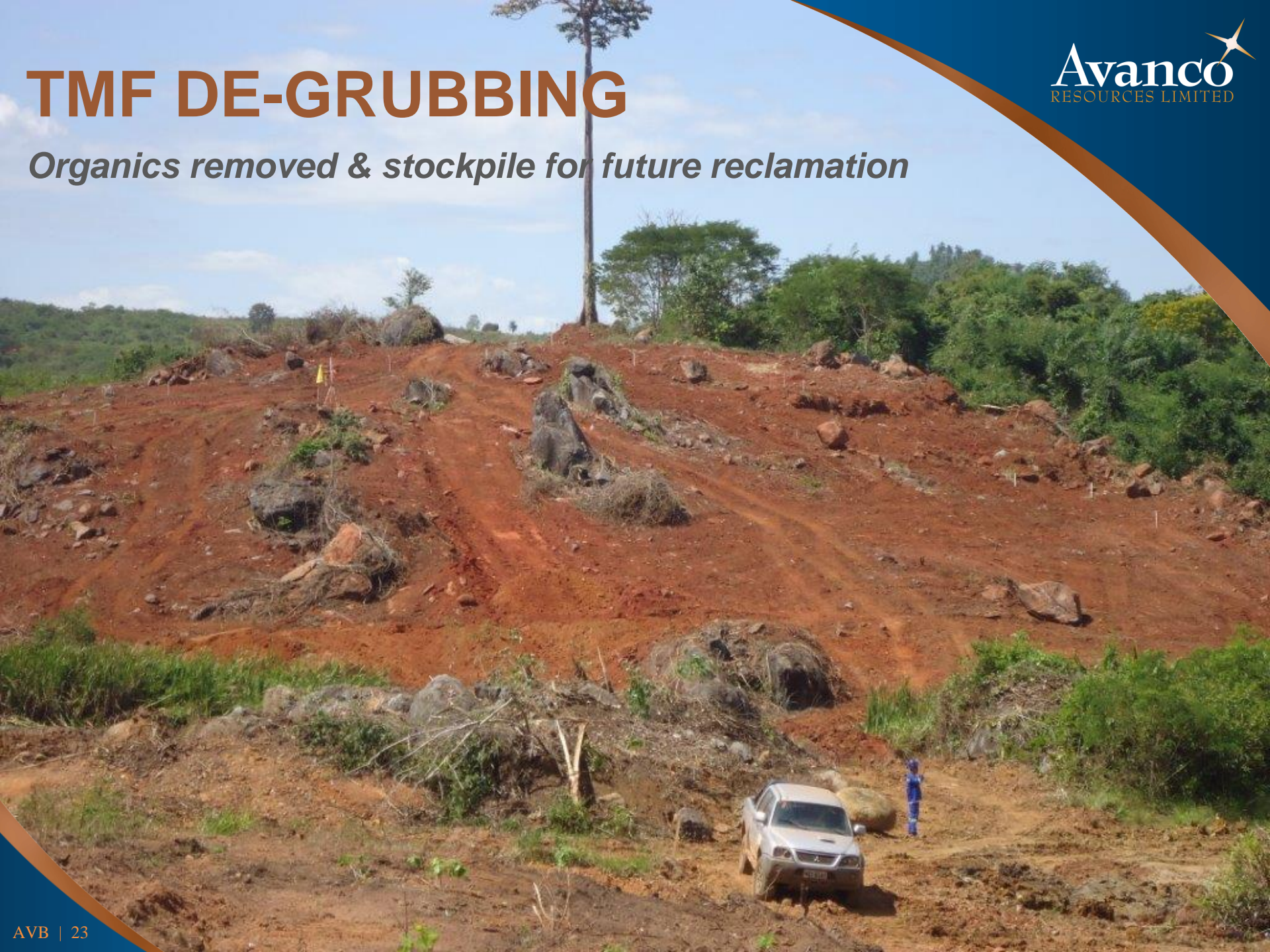
ADMIN

BALL MILL EXCAVATION



TMF DE-GRUBBING

Organics removed & stockpile for future reclamation



PROCUREMENT

- **Tailings Dam contract awarded & advancing**
- **Civils, LOI issued**
- **LOI for Metso LSTK for Dewatering Filter signed**
- **Contractor for 34,5 Kv transmission line mobilised**
- **Transformers, substations & electrocenters ordered**
- **Structural steel ordered**
- **PO's issued for main equipment packages**

MANAGEMENT BUILD-UP

- **Antas Mine Manager, Brazilian CFO & Financial Controller Perth identified**
- **Performance incentive scheme in place to motivate & reward**
- **MD relocating to Brazil, close to the operation**
- **Board investigating the need for more Independent Directors**

ANTAS CONCENTRATE

Substantial interest from potential off-take customers

- **Antas to produce ~45,000tpa of copper concentrates containing low levels of deleterious elements**
- **A number of firm offers received, discount TC-RC's & 90% payable FOB being offered**
- **Terms for Avanco's "clean" copper concentrate continue to improve as forecast shortages (essential for blending) weigh on market sentiment**
- **Decision on selection of off-take group rescheduled to Q4 2015**

STAGE 2 PEDRA BRANCA



PEDRA BRANCA

Development strategy

- **Pedra Branca, known as Stage 2 is located in the same district as Stage 1**
- **High grade mineral Resource, considerably larger than Antas**
- **In-fill drilling to improve Mineral Resource confidence completed**
- **Mining License applied for with DNPM**
- **Environmental Study commenced**
- **Pedra Branca (and Stage 1 Antas) Copper grades fall comfortably within the first quartile of copper project grades globally, in line with the Company's ongoing business strategy**

PEDRA BRANCA

Results of East Upgrade Drilling

Assays support previously work and confirm the high grade mineralisation hosted within the core of both the east and west deposits:

- **40.00m at 1.60% Cu, 0.26g/t Au from 436.00m** **APBD-15-39**
Inc. 18.80m at 2.89% Cu, 0.89g/t Gold from 437.60m
- **47.85m at 1.27% Cu, 0.36g/t Au from 418.15m** **APBD-15-42**
- **27.00m at 1.63% Cu, 0.37g/t Au from 261.00m** **APBD-15-43**
Inc. 12.65m at 2.39% Cu, 0.55g/t Gold from 261.00m
- **40.85m at 1.38% Cu, 0.70g/t Au from 274.95m** **APBD-15-44**
Inc. 13.05m at 3.14% Cu, 1.63g/t Gold from 274.95m
- **106.10m at 0.81% Cu, 0.20g/t Au from 174.00m** **APBD-15-45**
- **24.00m at 1.01% Cu, 0.28g/t Gold from 151.00m** **APBD-15-49**

PEDRA BRANCA

Resource Upgrade

- **Hole APBD-15-39 (eastern extent of East) shows orebody high grade core is open along strike, highlighting potential for further resource growth**
- **East Resource Upgrade completed and subject to check before release with West being computed by consultants.**
- **Resource Update release to the market in July with internal Scoping Study to be completed early Q4**
- **Avanco anticipates being in a position to make a “decision to mine” in December with supporting information documented in a Pre-feasibility Study by late Q1 2016**

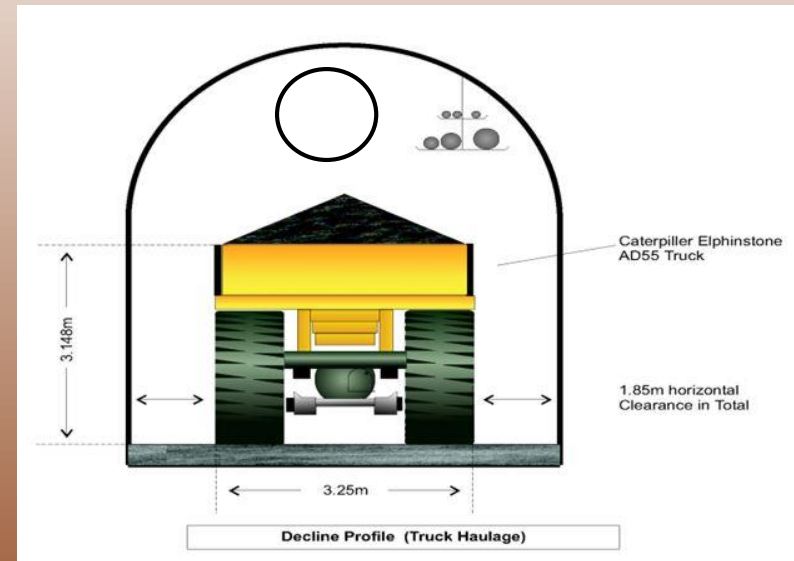
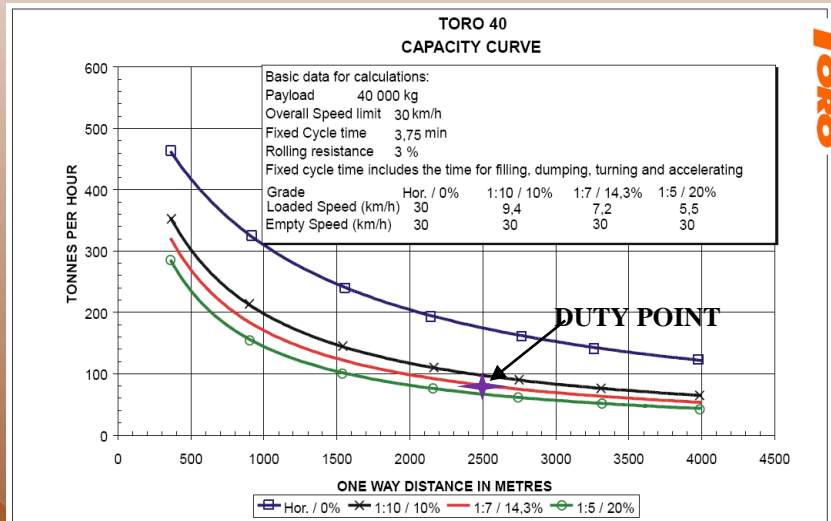
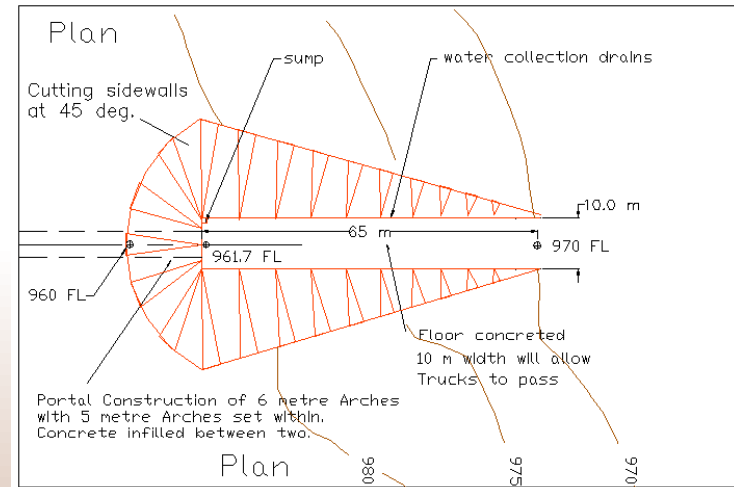
DECISION TO MINE

- Upgrade from Inferred to Indicated / Inferred Resource confidence will underpin future studies
- This exercise will evaluate provisional estimates of mineable tonnes, grade, mining methods, CAPEX, OPEX, and target the ongoing Pre-Feasibility Study
- The aforementioned Study will benefit from robust cost information gleaned from the proximal Antas Project
- By December management believe that they will have sufficient information to make a “Decision to Mine”

DECISION TO MINE

- **A positive decision to mine will trigger an accelerated investment programme**
- **Key question is the relationship and timing between East and West Orebody mining**
- **This affects both the mine development expenditure and the strategy/expenditure on mill construction**
- **Expenditures might include an open-cut pre-strip over the Western orebody, and/or commencing a “box cut” and ramp into the higher grade Eastern orebody**
- **The funding for Stage 2 will be significantly greater than Antas. Capex being a function of the mining sequence, start-up lead times, copper production strategy & commodity price**

Access and Haulage

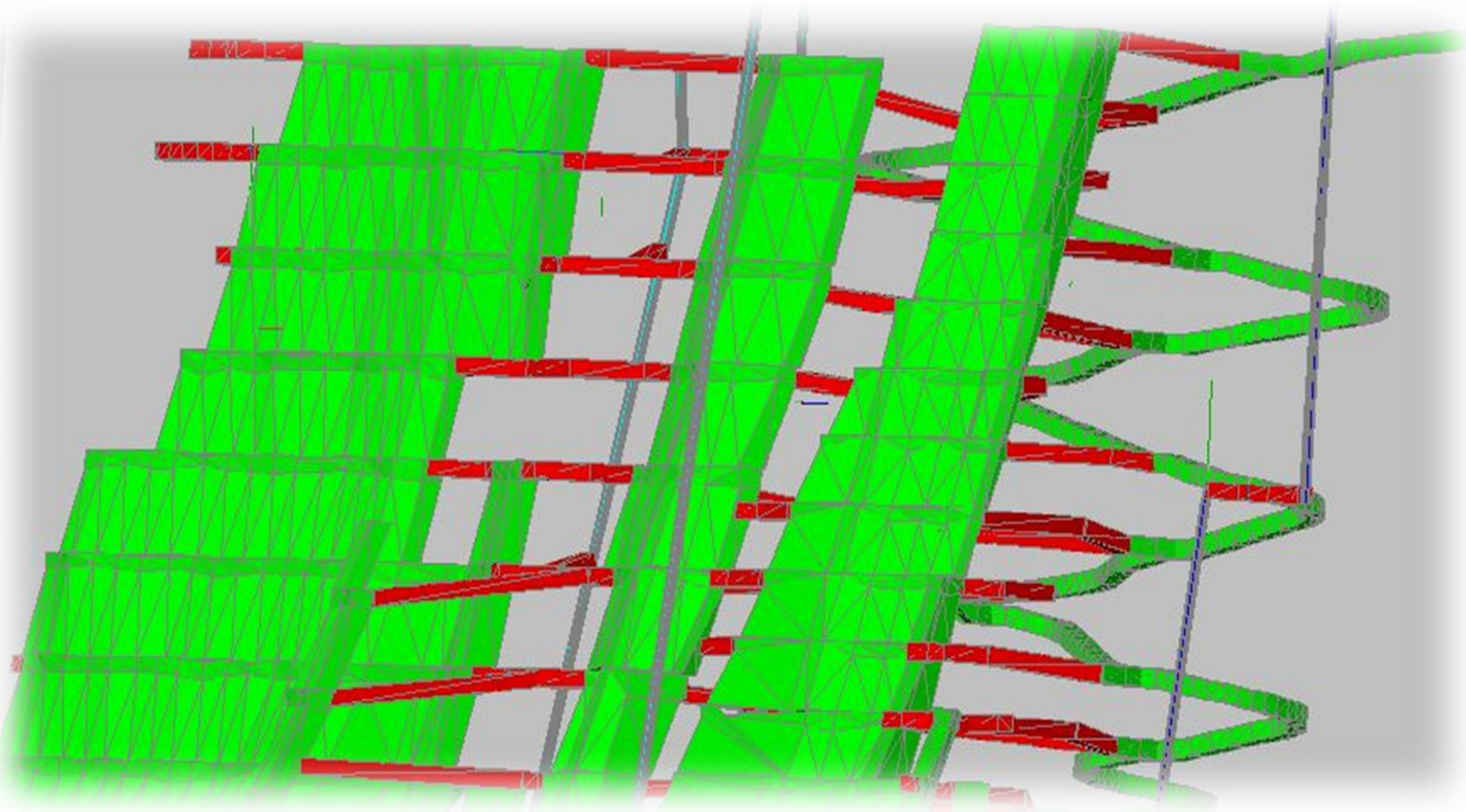


Toro

TORO 40

PEDRA BRANCA

Probable Mining Method

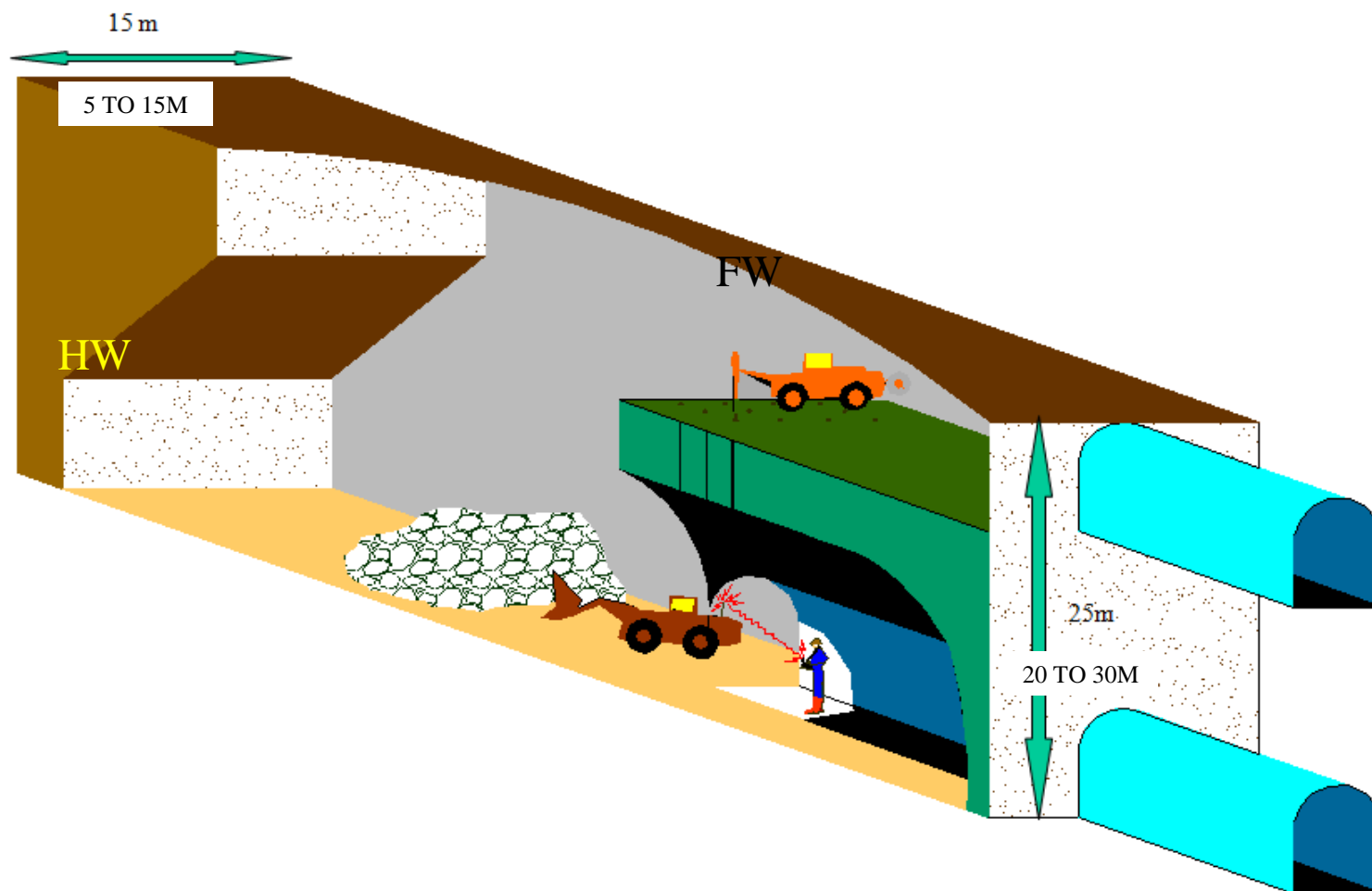


LONGITUDINAL SLOS



PEDRA BRANCA

SLOS – Sub-Level Open Stoping



Stope Drilling

FW

19/10/2012 10:3

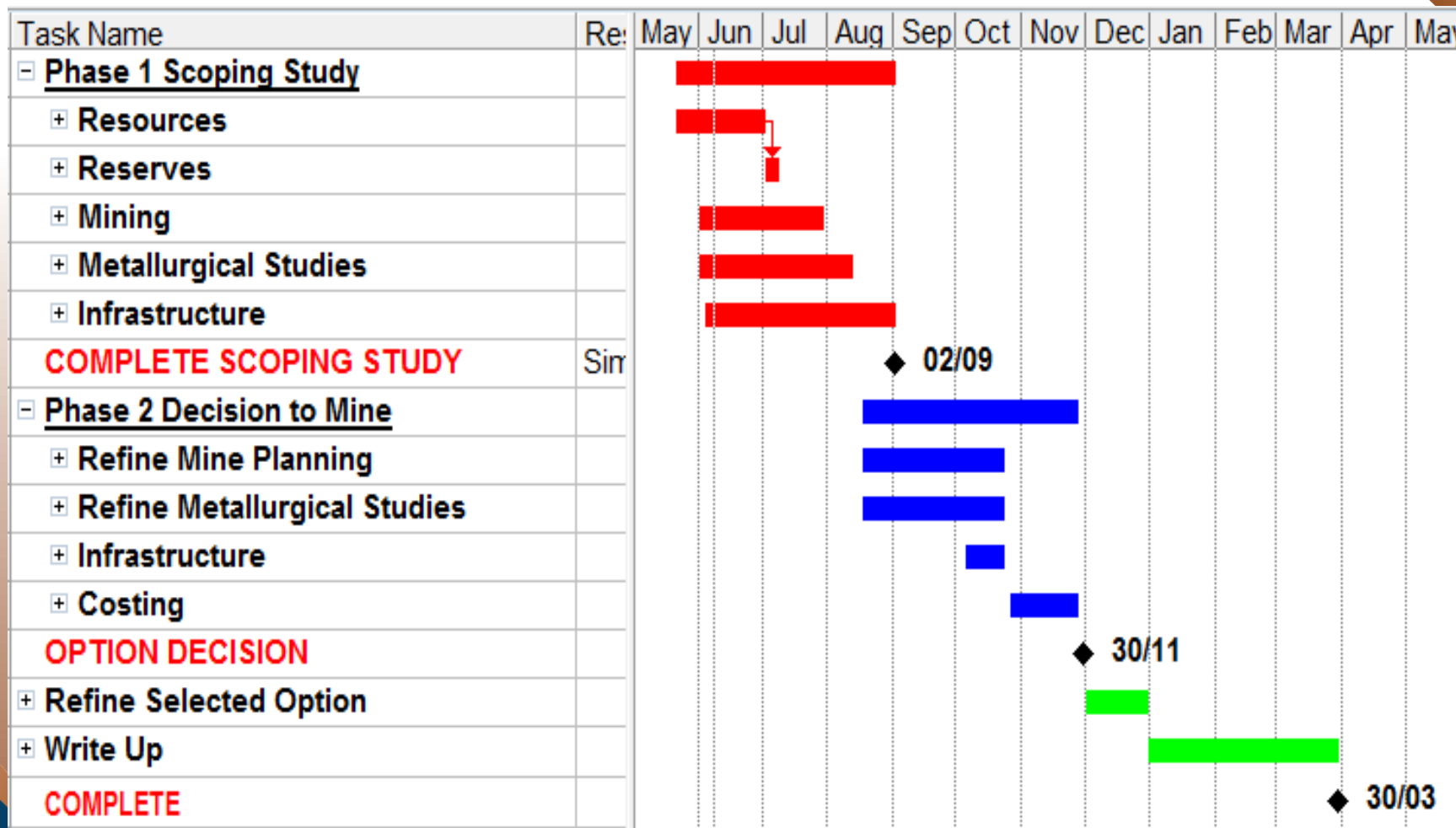
PEDRA BRANCA

Remote Mucking



PEDRA BRANCA

DECISION AND PFS PROGRAMME

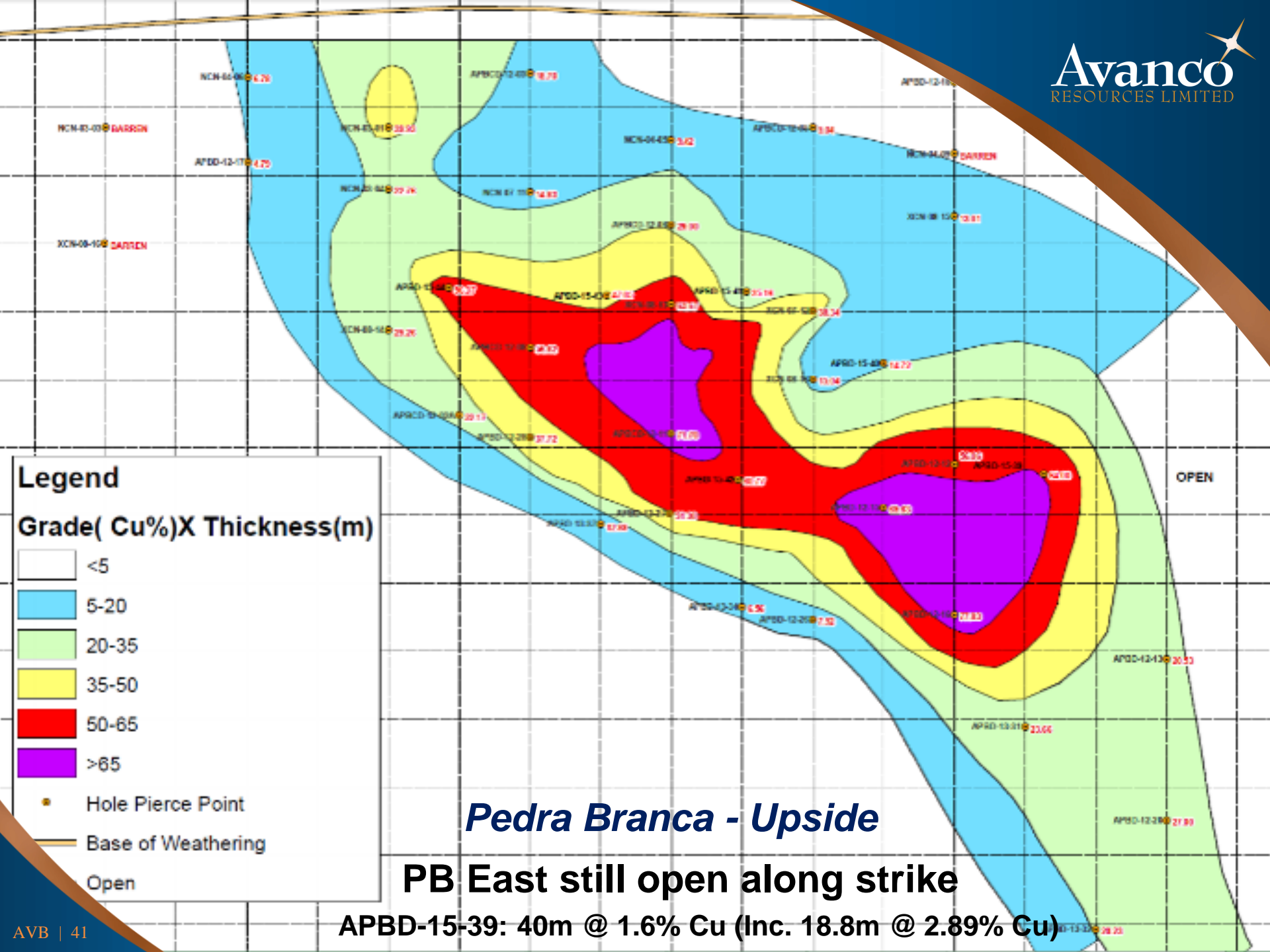


Conclusions

- **Recent “Infill Drilling”**
 - **Consistent – bodes well for Resource conversion**
 - **Probable increased East Resource**
 - **PB East still open along strike**
 - **APBD-15-39: 40m @ 1.6% Cu (Inc. 18.8m @ 2.89% Cu)**
- **Studies to date suggest:-**
 - **Viability with West strategy in relation to East as Key**
 - **Eventually Mining Underground in both ore bodies**
 - **Sub-Level Stoping / Ramp haulage**
 - **Simple “traditional” flotation processing to clean concentrate**
 - **Significant scope to increase Grade (and Tonnage)**
- **Ongoing Studies**
 - **Updated Scoping Study early Sept 2015**
 - **Decision to mine December 2016 with PFS completed March 2016**

- **The Company is examining new opportunities, some are worthy of drill testing**
- **Additional to above, a return to the Nova Esperanca target is highly justified**
- **Up to \$2m has been allocated for continuing exploration in 2015**
- **~5,000m drill programme already commenced, will systematically test high priority targets including: Pedra Branca East (Extension), Nova Esperanca, Sucurui* & Sao Jorge**

** outside of Para*



Legend

Grade(Cu%)X Thickness(m)

[White]	<5
[Light Blue]	5-20
[Light Green]	20-35
[Yellow]	35-50
[Red]	50-65
[Purple]	>65

- Hole Pierce Point
- Base of Weathering
- Open

Pedra Branca - Upside

PB East still open along strike

APBD-15-39: 40m @ 1.6% Cu (Inc. 18.8m @ 2.89% Cu)

SUMMARY HIGHLIGHTS

- ✓ **Only ASX copper company in construction**
- ✓ **Two quality copper projects in same district**
- ✓ **High grade resource/reserves which continue to grow**
- ✓ **Good infrastructure, no environmental concerns**
- ✓ **Incremental staged development reducing risk & Capex**
- ✓ **Substantial exposure to exploration upside**
- ✓ **Well supported by blue chip resource funds**
- ✓ **Antas funding completed, financially strong & debt free**
- ✓ **Experienced owners/operational team resident in Brazil**
- ✓ **Strong news flow over next 12 months**
- ✓ **Significant upside at each stage and beyond**



Avanco

RESOURCES LIMITED



STAGE 1 – IN CONSTRUCTION

DIRECTORS

Owners team to actively participate in all critical activities

Mr Colin Jones – Non-Executive Chairman

Mr Jones started his mining career with British Coal in South Wales and following Coal Mine certification completed a mining degree at Cardiff University in the UK. Several years of contract management followed with Thyssens, supervising development, including mechanised mine development and shaft sinking activities Mr Jones was responsible for the underground development of the Fortaleza Nickel Mine in Brazil and was a core consultant for the underground development at the Palabora mine in South Africa. Mr Jones is an independent consultant, has an MBA, speaks Portuguese and maintains a residence in Brazil.

Mr Tony Polglase – Managing Director

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

Mr Simon Mottram – Executive Director

Mr Mottram is a geologist with over 20 years' experience predominantly in iron oxide copper gold, nickel sulphide and precious metals. Having held senior management positions with a number of successful mining companies both in Australia and overseas Mr Mottram has extensive knowledge in base and precious metal evaluations, and has seen a number of discoveries advanced through to commercial mine development and has been central to several significant exploration successes. Mr Mottram is an expert in the application of modern exploration techniques, large-scale drill programmes and feasibility studies. Mr Mottram is a graduate of Melbourne RMIT University, a Fellow of the AusIMM, speaks Portuguese, and assumes responsibility for all of the company's exploration activities.

DIRECTORS

Owners team to actively participate in all critical activities

Mr Luis Azevedo – Executive Director

Mr Azevedo is an outstanding resource industry professional with over 35 years of international experience. Mr Azevedo qualified as a geologist at the University of Rio de Janeiro in 1985 and subsequent to working as a geologist he completed a law degree at the University of Candido Mendes in 1992 and obtained his Masters of Law from Pontifical Catholic University Rio de Janeiro in 1994. Mr Azevedo has held senior positions with major resource companies including Western Mining Corporation, Barrick Gold and Harsco. He is based in Rio de Janeiro, Brazil and is a Brazilian citizen.

Mr Wayne Phillips – Executive Director

Mr Phillips is a Brazilian national and outstanding industry professional with a solid track record of project management and access to an extensive Brazilian network. In 1977, as a chemical engineering graduate from the University of Rhodesia, Mr Phillips migrated to Brazil and established a very successful metallurgical consulting business. Mr Phillips has been credited with participating in the engineering and commissioning of the Cariaba Copper Smelter and the design and construction of a number of small copper mines in northern Brazil. For the last ten years Mr Phillips has been Technical Director for Kinross Gold South America and has played a pivotal role in the expansion of Kinross's giant Paracatu Gold Mine in Brazil.

Mr Scott Funston – Executive Director

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

COMPETENT PERSON STATEMENTS

The information in this report that relates to Exploration Results is based on information compiled by Mr Simon Mottram who is a Fellow of the Australasian Institute of Mining and Metallurgy. Mr Mottram is an Executive Director of Avanco Resources Limited, in which he is also a shareholder. Mr Mottram has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person (CP) as defined in the 2012 Edition of the Joint Ore Reserves Committee (JORC) “Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves”. Mr Mottram consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

The information in this report that relates to Mineral Resources is based on information compiled by Dr. Bielin Shi, who is a Fellow of the Australasian Institute of Mining and Metallurgy and Australian Institute of Geoscientists. Dr. Shi is an employee of CSA Global Pty Ltd. Dr. Shi has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person (CP) as defined in the 2012 Edition of the Joint Ore Reserves Committee (JORC) “Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves”. Dr. Shi consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

The information in this report that relates to Ore Reserves is based on information compiled by Mr Paul O’Callaghan, who is a member of the Australasian Institute of Mining and Metallurgy. Mr O’Callaghan is an employee of CSA Global Pty Ltd. Mr O’Callaghan has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person (CP) as defined in the 2012 Edition of the Joint Ore Reserves Committee (JORC) “Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves”. Mr O’Callaghan consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

ORE RESERVES

59% of ore reserves classified as Proved averaging 3.62%

ANTAS NORTH – SULPHIDE JORC ORE RESERVES – APRIL 2014

Type	Classification	Cut-off	Tonnes	Cu %	Au g/t	Copper	Gold
ROM ore	Proved	0.90% Cu	1.385 Mt	3.62%	0.74	50,137 t	33,046 oz
	Probable	0.90% Cu	1.264 Mt	2.72%	0.57	34,381 t	23,231 oz
	Total ROM ore		2,649 Mt	3.19%	0.66	84,518 t	56,277 oz
“Low grade”	Proved	0.65% Cu	0.342 Mt	0.74%	0.30	2,531 t	3,308 oz
	Probable	0.65% Cu	0.635 Mt	0.72%	0.23	4,572 t	4,709 oz
	Total low grade		0.977 Mt	0.73%	0.26	7,103 t	8,017 oz
TOTAL ORE RESERVES			3.630 Mt	2.53%	0.55	91,621 t	64,294 oz

MINERAL RESOURCES

55% of Antas mineral resources classified as Measured

ANTAS DEPOSIT – SULPHIDE JORC (2012) MINERAL RESOURCES – APRIL 2014

Type	Classification	Cut-off	Tonnes	Cu %	Au g/t	Copper	Gold
Primary	Measured	0.90% Cu	2.48 Mt	3.26%	0.71	80,137 t	56,751 oz
	Indicated	0.90% Cu	1.62 Mt	2.22%	0.42	36,002 t	21,884 oz
	M&I		4.10 Mt	2.85%	0.60	117,000 t	79,000 oz
	Inferred	0.90% Cu	1.90 Mt	1.59%	0.23	30,184 t	14,085 oz
SULPHIDE MINERAL RESOURCES			6.00 Mt	2.45%	0.48	147,000 t	93,000 oz

ANTAS SOUTH – SULPHIDE JORC (2004) MINERAL RESOURCES – FEB 2012

Type	Classification	Cut-off	Tonnes	Cu %	Au g/t	Copper	Gold
Primary	Measured	0.4% Cu	0.057 Mt	2.51%	0.36	1,400 t	600 oz
	Indicated	0.4% Cu	0.840 Mt	1.61%	0.41	13,500 t	11,000 oz
	Inferred	0.4% Cu	1.140 Mt	1.63%	0.26	18,600 t	9,400 oz
SULPHIDE MINERAL RESOURCES			2.037 Mt	1.64%	0.32	33,500 t	93,000 oz

Please refer to ASX Releases 7 May 2014 and 8 Feb 2012 for complete mineral resource statements

MINERAL RESOURCES

PEDRA BRANCA – JORC (2012) MINERAL RESOURCES – JUNE 2013

Ore Zone	Classification	Cut-off	Tonnes	Cu %	Au g/t	Ag g/t	Copper	Gold	Silver
East	Inferred	0.4% Cu	20.48 Mt	1.50%	0.37	0.82	307,000 t	243,000 oz	541,000 oz
West	Inferred	0.4% Cu	26.34 Mt	0.96%	0.30	0.58	253,000 t	257,000 oz	494,000 oz
TOTAL MINERAL RESOURCES			46.82 Mt	1.20%	0.33	0.69	560,000 t	500,000 oz	1,035,000 oz