



BUILDING COPPER MINES IN BRAZIL

COMPANY UPDATE MARCH 2016

VISION

TO ENHANCE SHAREHOLDER VALUE THROUGH PRODUCTION, NEW DISCOVERIES & ACQUISITIONS



- ▶ 100%-ownership of large holding in mining friendly jurisdiction in proximity to large copper mines
- ▶ High grade (>2% copper) and low capex / opex projects
- ▶ On-track for commissioning first open pit mining operation in Q1 2016 producing 12,000tpa copper with gold credits
- ▶ Well positioned to execute growth strategy and establish Avanco as a profitable long life producer
- ▶ Underground project has potential to increase Avanco's production to ~50,000tpa copper in 4 - 5 years
- ▶ Good scope for potential new discoveries, acquisitions or partnerships with neighbouring majors

* Refer to Cautionary statement on slide 25

** Refer Mineral Resources on slide 24

- The Company is well supported by respected institutional shareholders – currently holding 57% of the issued capital
- Fully funded into production:
 - A\$63.62 million equity financing
 - US\$12 million Royalty Agreement with BlackRock
- Debt and covenant free
- Retains offtake rights to 100% of “clean” concentrate production

Major Shareholders	~%
Appian Natural Resources Fund	18
Greenstone Resources Fund	17
BlackRock World Mining Fund	14
Glencore Plc	8

ASX Code	AVB
Issued shares	2,457m
Options	152m
52 week range	AU\$0.05 - \$0.09
Market cap at \$0.08	~AU\$195m
Cash (31 December 2015)	~AU\$43m*
Enterprise value	~AU\$152m

* Excludes US\$4m still to be drawn under the BlackRock Royalty Financing Agreement

THE BOARD

EXTENSIVE GLOBAL MINING INDUSTRY EXPERIENCE



- International and Brazilian mining professionals
- Majority Portuguese speaking and reside in Brazil
- Experience in copper production across all levels / disciplines

BOARD		Discipline	Portuguese Speaking	Resident in Brazil	Brazilian National
Colin Jones	Independent Chairman	Mining Engineer	●	●	
Tony Polglase	Managing Director	Metallurgist	●	●	
Luis Azevedo	Director Legal / Regulatory	Mining Lawyer	●	●	●
Simon Mottram	Director Exploration	Geologist	●	60%	
Wayne Phillips	Director Operations	Chemical Engineer	●	●	●
Scott Funston	Director & CoySec	Chartered Accountant		40%	
Vernon Tidy	Independent Director	Chartered Accountant			

DEVELOPMENT STRATEGY

TARGETING TO BECOME A 50,000tpa COPPER PRODUCER

- ▶ Commission Stage 1 Antas open pit mine during Q1 2016 to produce ~12,000tpa of copper in concentrate with ~7,000ozpa of gold credits
- ▶ Increase Antas production to 15,000tpa copper by 2018
- ▶ Develop Stage 2 Pedra Branca underground project
- ▶ Combined Stage 1 and 2 production target of ~50,000tpa of copper in 4 - 5 years*
- ▶ Develop “upside” through exploration as well as pursuing acquisitions and partnerships with majors in the Carajas

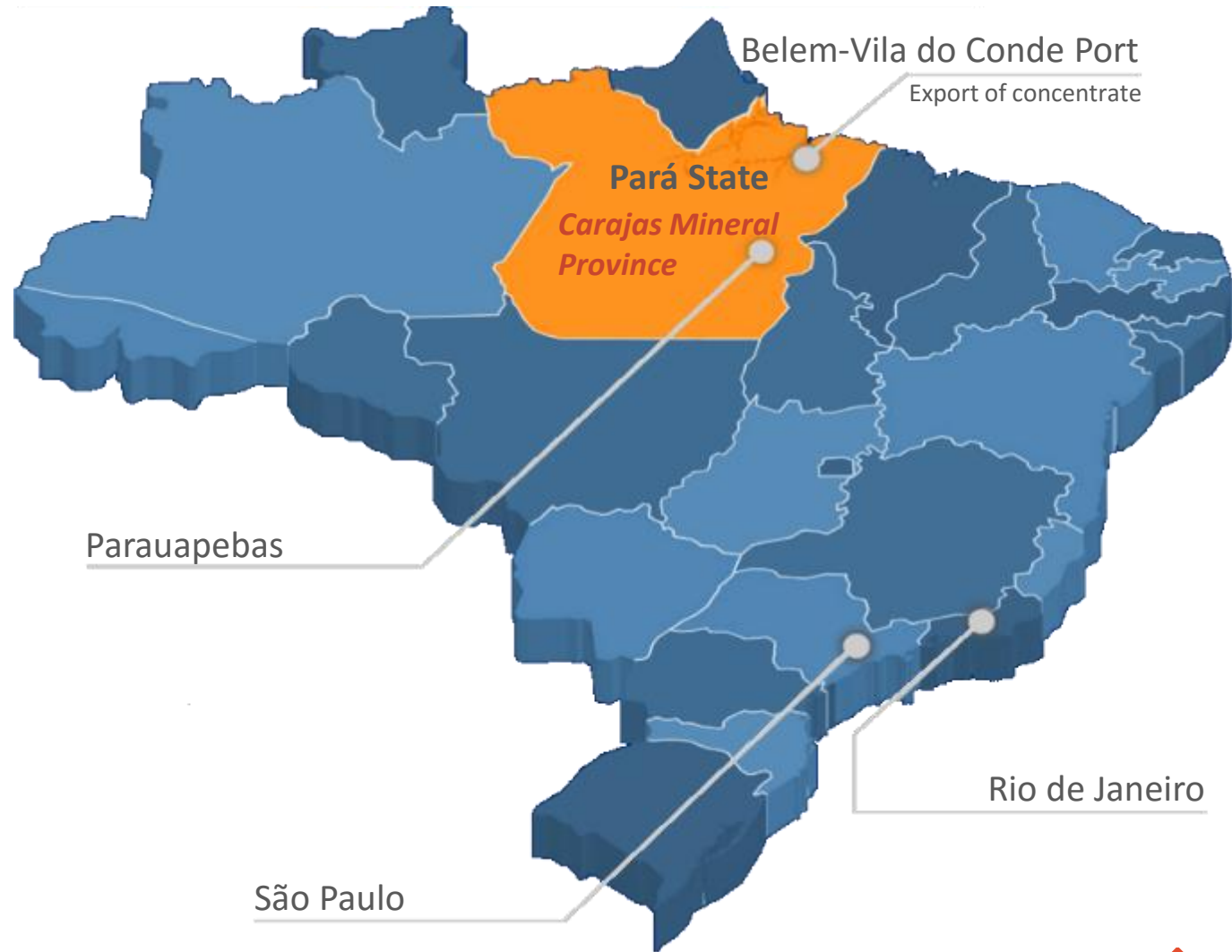


* Refer to Cautionary Statement on slide 25

PROJECT LOCATION

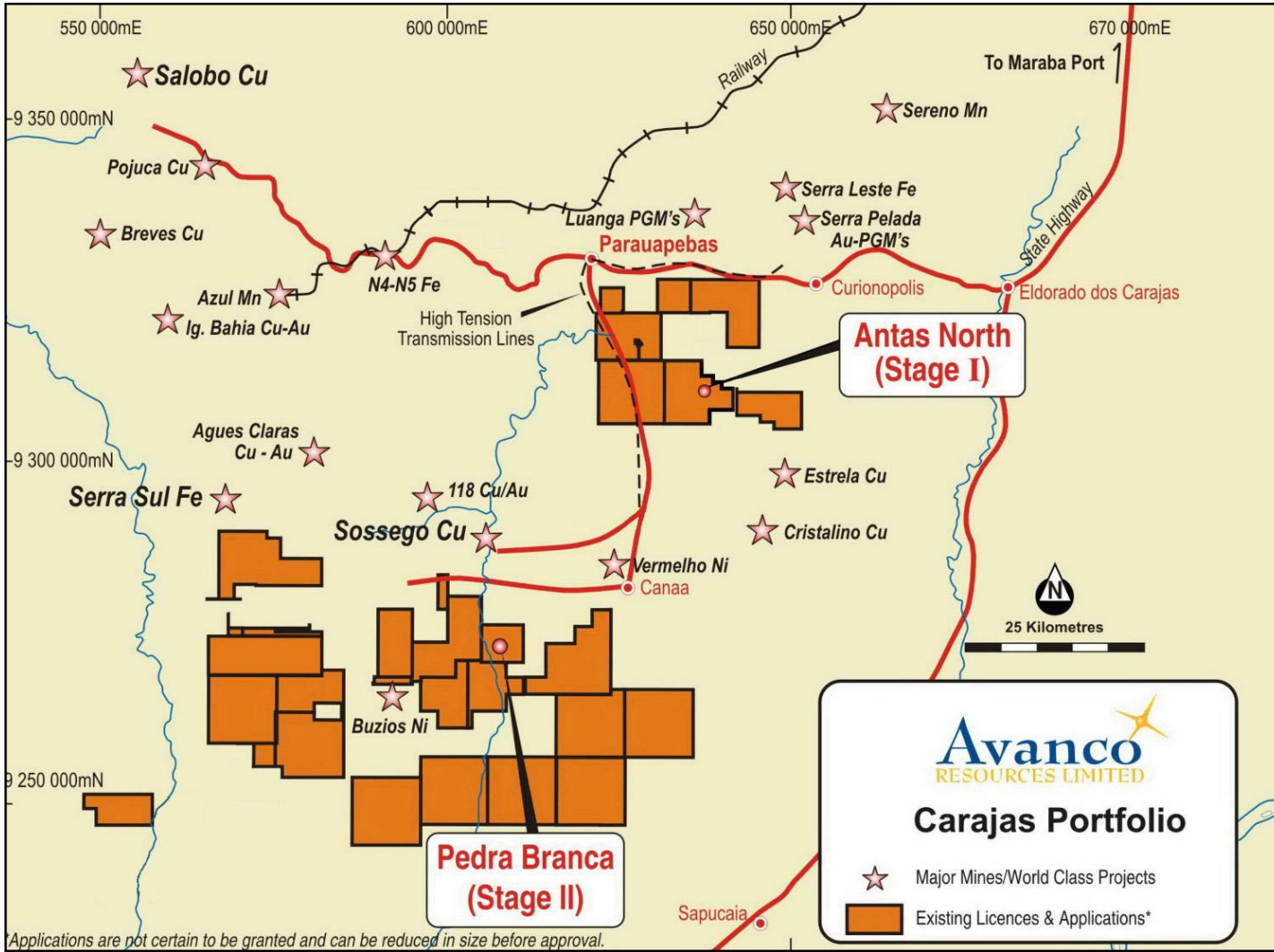
ONE OF THE BEST ENDOWED MINERAL DISTRICTS IN THE WORLD

The Carajas Mineral Province hosts the world's largest concentration of large tonnage IOCG deposits



PROJECT HOLDING

100% - OWNED PORTFOLIO COVERING 1,800 km²



ANTAS STAGE 1 MINE PHYSICALS

7-YEAR MINE LIFE WITH UPSIDE



- ▶ Proved & Probable Ore Reserve: 3.63 million tonnes at 2.53% copper and 0.55g/t gold*
- ▶ 800,000tpa plant capacity not fully utilised – provides redundancy, reduces commissioning risk and provides opportunities to increase production
- ▶ During production, ore will be stockpiled as a contingency against interruptions due to weather
- ▶ Significant additional Mineral Resources are situated at depth and nearby at Antas South.* The economics of exploiting these are being investigated

Parameter	
Mining	Conventional open pit: drill & blast, load & haul
Mine Plan	~500,000tpa ROM ore, 7.1 LOM waste:ore ratio
Mine Grade	Year 1 – 3: ~2.2% Cu, LOM (7 years): 2.53% Cu
Plant Design	800,000tpa, crush, grind, float & filter
Recoveries	94 - 97% for Cu, ~ 90% for Au into a 28% concentrate at 8% moisture

* Refer Mineral Resources & Ore Reserves on slide 24

MINING UPDATE

MINING FLEET DELIVERED AND COMMISSIONED

- ▶ Experienced mining contractor “MACA” selected
- ▶ Mining costs based on fixed and variable (BCM) mining rates
- ▶ Avanco to free issue explosives and fuel (reduces cost)
- ▶ Mining fleet being upgraded with larger 100t excavator in readiness for digging fresh rock
- ▶ Two new blast hole rigs commissioned and first blast successfully undertaken
- ▶ >1g/t Au saprolite material stockpiled separately and being tested for gold recovery



GRADE CONTROL DRILLING

HIGH PROBABILITY OF OVERCALL

- ▶ Assays from the first 71 grade control holes confirm the copper and gold grades in the Ore Reserve mitigating geological risk
- ▶ Intersections of high concentrations of massive sulphides confirm robustness of ore body
- ▶ Higher gold values add confidence and potential upside



CONSTRUCTION UPDATE

92% COMPLETE



Mine access road including construction of two bridges completed



Crushing section now operational



Ball mill, feed conveyor and hydrocyclones installed



Installed flotation cells and plant control room

CONSTRUCTION UPDATE

PIPING & ELECTRICALS ON CRITICAL PATH



Metso filter press successfully cold commissioned



Filter building on right with adjoining concentrate building to the left



Plant offices

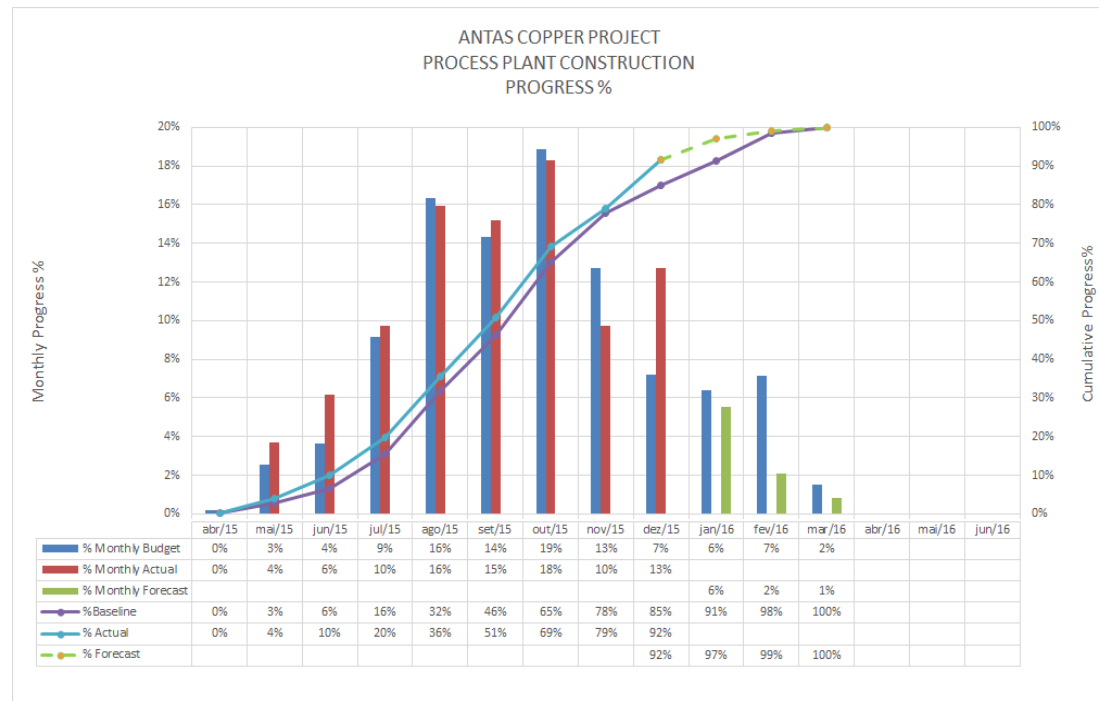


Mobile equipment workshops and mining offices

CONSTRUCTION BUDGET

WITHIN BUDGET

- May 2015 estimate: US\$60m including contingency and working capital
- On track for completion prior to the end of March 2016
- Weakening local currency has reduced (US\$) costs
- Cost control and reporting systems in place and working well
- Mechanical-electrical execution is greatest remaining risk and is being addressed with additional supervision



OPERATIONAL READINESS

ON SCHEDULE

- ▶ Avanco's Brazilian management team has been carefully selected to ensure a swift and smooth transition into production
- ▶ The Carajas region has an abundance of well trained mining people seeking employment
- ▶ Avanco's MD is resident in Brazil and will oversee the commissioning and deploy contingency funds to mitigate any start-up issues



HEALTH, SAFETY & ENVIRONMENT

INCIDENT FREE

- ▶ No Lost Time Accidents or Medical Treatment cases since construction commenced
- ▶ Site works rigorously supervised
- ▶ Positive attitude and good adherence to safe working practices by contractors
- ▶ Medical team and fully equipped ambulance on standby
- ▶ No Environmental Incidents recorded
- ▶ Nursery for indigenous seedlings established in readiness for rehabilitation of rock dumps



CONCENTRATE OFFTAKE

AVANCO RETAINS RIGHTS TO 100% OF CONCENTRATE PRODUCTION

- ▶ Antas to produce circa 48,000tpa of ~28% copper concentrate with gold credits
- ▶ Concentrate transported ~700km by road in sea containers to port for export
- ▶ Clean concentrate provides leverage in negotiating favourable Net Smelter Return terms at low metal prices
- ▶ Experienced consultant leading the process for offtake contract negotiations
- ▶ Competition fierce with favourable terms offered
- ▶ 3 year offtake contract will be signed with 2 groups shortly



- The high copper grade + gold by-product credits provides for a financially robust project
- Antas is forecast to be a low cost copper producer
- C1 and cash costs anticipated to fall within the 1st Quartile
- Expectations from current economic modelling* include:

Parameter	
Mine gate cost	US\$0.48/lb Cu
C1	US\$0.99/lb Cu
C2**	US\$1.36/lb Cu
C3	US\$1.57/lb Cu
Cash Cost	US\$1.20/lb Cu
EBITDA	US\$217 million

* Results are based on copper prices of US\$2/lb for 2016, US\$2.5/lb for 2017, US\$3.20 for 2018 onwards, gold US\$1,100oz, FX USD:BRL 4.0 LOM, NIL discount rate

**Includes capital allocated for development cutbacks in the open-pit

PEDRA BRANCA - STAGE 2

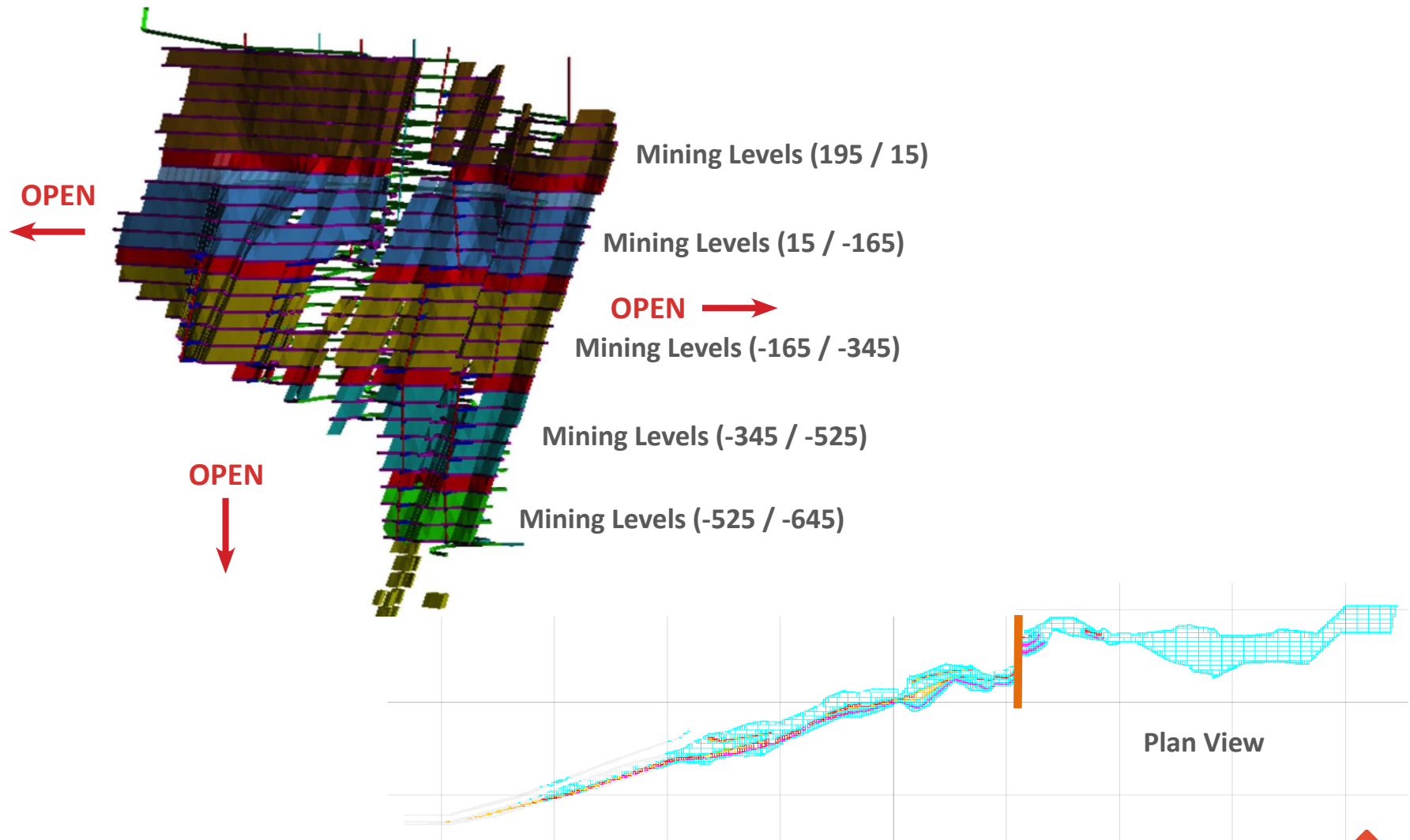
SIGNIFICANTLY LARGER, HIGH GRADE RESOURCE

- Inferred and Indicated Mineral Resource: 18.58 million tonnes 2.45% copper and 0.61g/t gold*
- Comprises two zones : “East” and “West”.
- East - higher grade, wider and well understood. West - more complex (multiple lodes) and requires further evaluation
- Steep dip and competent wall rocks suitable for large tonnage, cost efficient stoping operation
- East averages ~15m in width. Ideal for low-capex “starter mine” that can be expanded into larger scale underground operation in the future
- Targeting to become ~35,000tpa copper + gold credits.
- Significant upside along strike and at depth on both East and West – drilling in progress
- Good infrastructure and close to Antas. Surface rights already acquired. Planning for proposed box cut and decline being advanced

* Refer Mineral Resources on slide 24

PEDRA BRANCA - STAGE 2

INITIAL, LOW-CAPEX PRODUCTION FROM EAST LOBE



EXPLORATION

LARGE FOOTPRINT IN WORLD CLASS PROVINCE

- ▶ Carajas Mineral Province has the highest concentration of large tonnage IOCG deposits in the world
- ▶ Avanco has secured 1,800km² of exploration ground* – second only to Vale
- ▶ High probability of further exploration success for copper, gold, nickel & PGE's from ongoing regional program over several targets
- ▶ Actively pursuing new acquisitions or partnerships with neighbouring majors

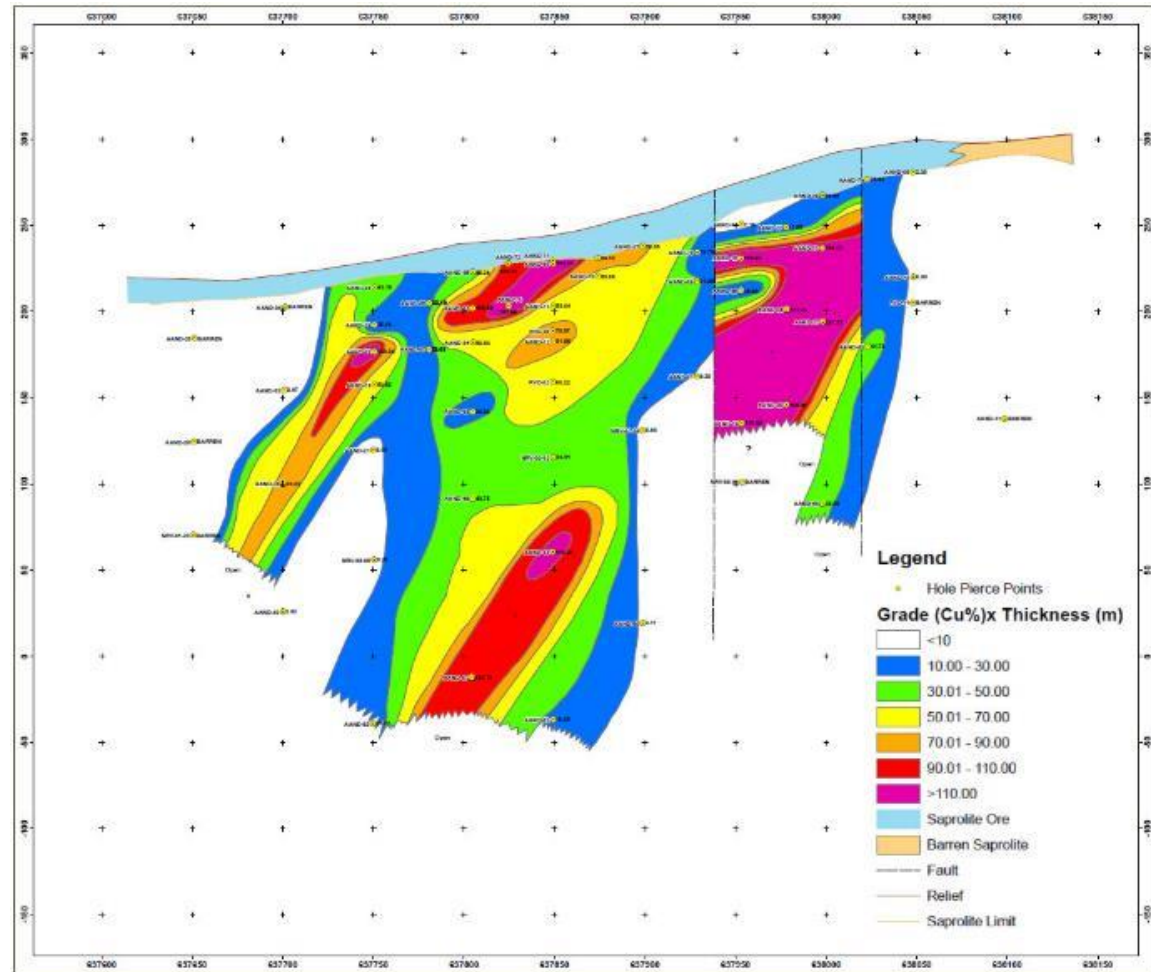
* Tenure in various stages of approval or under application



ANTAS – NEAR MINE TARGETS

DEPTH POTENTIAL CONSTRAINED BY DRILLING

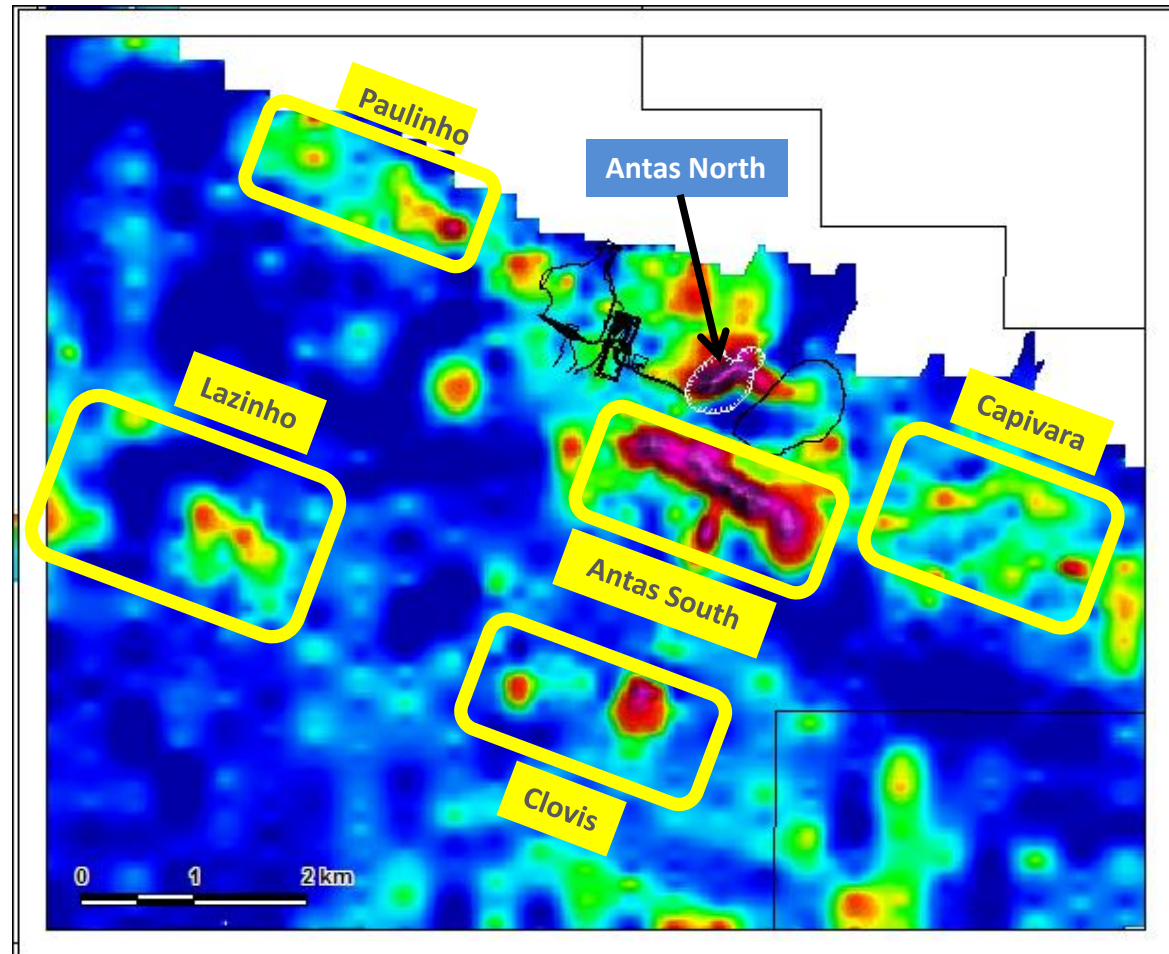
- Significant copper sulphide mineralisation extending from base of planned open pit intersected in wide-spaced drilling
- High grade, south-west plunging shoots targeted for future underground development



ANTAS – NEAR MINE TARGETS

MULTIPLE EARLY STAGE COPPER SULPHIDE TARGETS

- ▶ Copper sulphides intersected below large copper oxide resource at Antas South* including 8.5m at 2.63% Cu and 31m at 1.4% Cu
- ▶ Other copper sulphide intersections from limited drilling include:
 - ▶ Lazinho - 26m at 0.71% Cu
 - ▶ Paulinho – 126m at 0.21% Cu
 - ▶ Clovis – 17m at 2.2% Cu
- ▶ Numerous magnetic anomalies remain untested



* Refer Mineral Resources on slide 24

- ▶ Avanco is on track to become the second copper producer in Carajas behind Vale in Q1 2016
- ▶ Fully funded to production with no debt
- ▶ High grade and low cost Antas open pit operation is financially robust in low copper price environment
- ▶ Planning underway to develop the significantly larger Pedra Branca underground project and establish Avanco as a profitable long life producer producing ~50,000tpa copper
- ▶ Avanco is managed by highly experienced international and Brazilian mining professionals, most of whom are Portuguese speaking and reside in Brazil
- ▶ Well supported by respected institutional shareholders
- ▶ Actively pursuing new opportunities to enhance shareholder value

MINERAL RESOURCES & ORE RESERVES

CARAJAS - TOTAL JORC Reported Mineral Resources^{1,2,3,4}

DEPOSIT	Category	Million Tonnes	Cu (%)	Au (ppm)	Copper Metal (T)	Gold Metal (Oz)
PB East ⁵	Indicated	7.96	2.81	0.63	224,000	160,000
	Inferred	3.43	2.70	0.61	92,000	67,000
	Total	11.39	2.78	0.62	316,000	227,000
PB West ⁵	Indicated	4.46	2.04	0.61	91,000	87,000
	Inferred	2.74	1.72	0.56	47,000	49,000
	Total	7.19	1.92	0.59	138,000	136,000
PEDRA BRANCA	Total	18.58	2.45	0.61	454,000	363,000
ANTAS NORTH ⁵	Measured	2.83	3.01	0.72	85,000	66,000
	Indicated	1.65	2.20	0.42	36,000	22,000
	Inferred	1.9	1.59	0.23	30,000	14,000
	Total	6.38	2.38	0.50	152,000	102,000
ANTAS SOUTH ⁶	Measured	0.59	1.34	0.18	8,000	3,000
	Indicated	7.5	0.7	0.2	53,000	49,000
	Inferred	1.99	1.18	0.2	24,000	13,000
	Total	10.08	0.83	0.2	85,000	65,000
TOTAL		35.04	1.97	0.47	691,000	530,000

ANTAS NORTH – JORC Reported Ore Reserves^{7,8}

CLASSIFICATION	Type	Economic Cut-Off Cu%	Tonnes (Mt)	Copper (%)	Gold (g/t)	Copper Metal (T)	Gold (Oz)
PROVED	ROM Ore	0.90	1.385	3.62	0.74	50,137	33,046
PROBABLE	ROM Ore	0.90	1.264	2.72	0.57	34,381	23,231
PROVEN + PROBABLE ROM ORE			2.649	3.19	0.66	84,518	56,277
PROVED	Low Grade	0.65	0.342	0.74	0.30	2,531	3,308
PROBABLE	Low Grade	0.65	0.635	0.72	0.23	4,572	4,709
TOTAL PROVEN + PROBABLE			3.63	2.53	0.55	91,621	64,294

JORC COMPLIANCE NOTES

1. See ASX Announcement “Pedra Branca Resource Upgrade Delivers Substantial Increase in Both Contained Copper and Confidence”, 13 July 2015, for Competent Person’s Consent, material assumptions, and technical parameters underpinning the Pedra Branca resource estimates.
2. See ASX Announcement “Stage 1 set to excel on new high grade Copper Resource”, 7 May 2014, for Competent Person’s Consent, material assumptions, and technical parameters underpinning the Antas North resource estimate.
3. See ASX announcement “Major Resource Upgrade for Rio Verde”, 8 February 2012, for Competent Person’s Consent, material assumptions, and technical parameters underpinning the Antas South resource estimate.
4. The Antas South JORC compliant resource was prepared and first disclosed under the JORC Code 2004. It has not been updated since to comply with the JORC Code 2012, on the basis that the information has not materially changed since it was last reported.
5. Grade Tonnage Reported above a Cut-off Grade of 0.9% Copper.
6. Grade Tonnage Reported above a Cut-off Grade of 0.3% Cu for Oxide Resources.
7. See ASX Announcement “Maiden Reserves Exceed Expectations for Antas Copper”, 17 September 2014, for Competent Person’s Consent, material assumptions, and technical parameters underpinning the Antas North JORC (2012) Reported Reserve estimate.
8. Measured and Indicated Resources are inclusive of those Mineral Resources modified to produce the Ore Reserves.
9. The information in this presentation 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.

CAUTIONARY AND 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.
- The stated Production Target is based on the Company’s current expectations of future results or events and should not be relied upon by investors when making investment decisions. Further evaluation work and appropriate studies are required to establish sufficient confidence that this target will be met.
- All project costs are in US\$



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