



Avanco Resources (ASX: AVB)

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Suite 3, 257 York Street
Subiaco, WA 6008
Australia.

PO Box 1726
West Perth, WA 6872,
Australia

Tel: +61 8 9324 1865
Fax: +61 8 9200 1850

Contacts:

Nicholas Bias
Head of Corporate Affairs
nbias@avancoresources.com
Tel: +61 (0)497 888 227
+44 (0)7771 450 679

For the latest news:

www.avancoresources.com

Directors:

Colin Jones
Tony Polglase
Simon Mottram
Luis Azevedo
Vern Tidy
Luiz Ferraz

Management:

Wayne Phillips
Scott Funston
Nicholas Bias
Otávio Monteiro

FIRST QUARTER 2017 ACTIVITIES REPORT

Avanco Resources Limited (“Avanco” or “the Company”) is pleased to present its First Quarter 2017 Activities Report for the period ending 31 March 2017.

During the quarter the Antas Mine produced copper and gold above guidance, with positive cash flows resulting in cash balances increasing to \$23.1 million at quarter end. The Company remains debt free.

PRODUCTION & FINANCIAL HIGHLIGHTS

- Excellent safety performance with no reported lost-time injuries
- Strong start to 2017 with quarterly copper and gold production ahead of guidance; 3,506t of copper (Q4 2016: 4,010t) and 2,783oz of gold (Q4 2016: 2,839oz)
- Quarterly concentrate sales increased to 14,409t (Q4 2016: 13,868t) and provisional sales revenue (excluding costs) increased to US\$26.1m (Q4 2016: US\$23.0m)
- C1 unit cash costs US\$1.52/lb (Q4 2016: US\$1.22/lb)
- Cash increased to US\$23.1m after capital expenditure of US\$1.9m at 31 March 2017 - the Company continues to be debt-free
- Renewed exploration focus with \$10.6 million budget to advance projects

During the quarter, the Company committed to an enhanced exploration drive, with the approval of a \$10.6 million budget to advance reserve drilling at Antas, exploration and development to support a full-scale standalone operation at the Pedra Branca East Project and additional commitments to CentroGold and regional exploration, all funded from Antas cash flows.

FINANCIAL RESULTS

		Q1 2017	Q4 2016	Variance
Copper in concentrate produced	t	3,506	4,010	-13%
Gold in concentrate produced	oz	2,783	2,839	-2%
Copper in concentrate sold (net of finalisations)	t	3,604	3,724	-3%
Gold in concentrate sold (net of finalisations)	Oz	2,607	2,589	+1%
C1 cash cost	US\$/lb	1.52	1.22	+25%

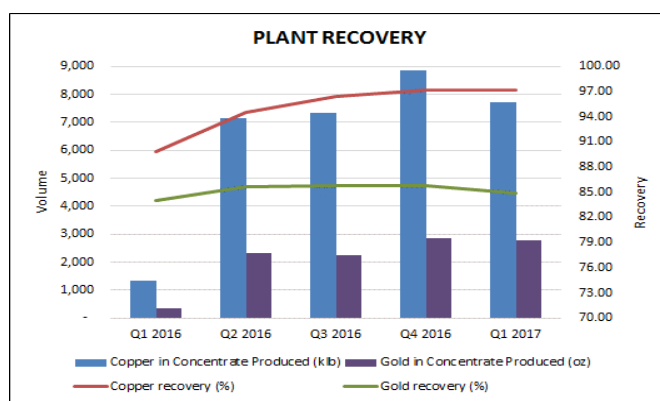
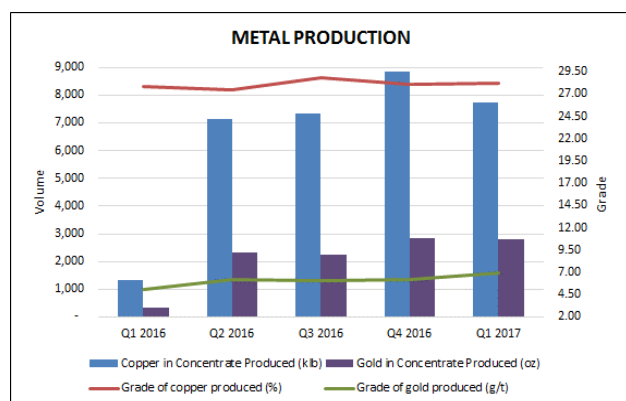
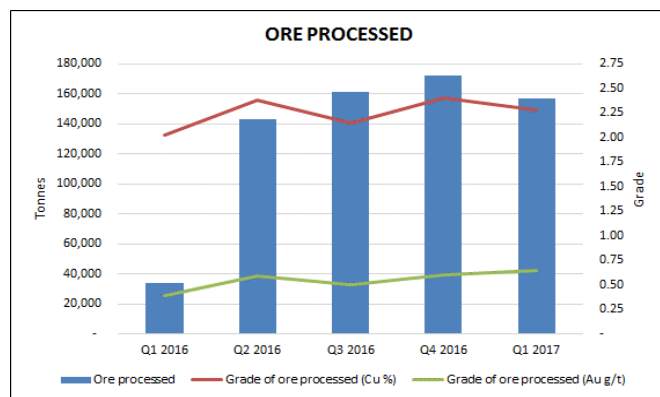
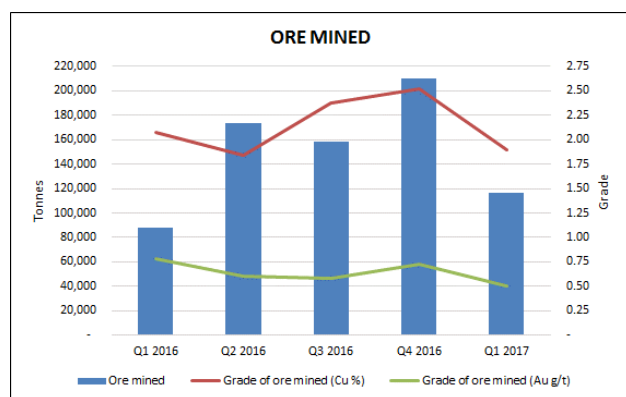
CORPORATE

On the corporate front, the Company is demonstrating its transition to becoming a mid-tier copper producer with the appointment of a Head of Corporate Affairs, initiation of research by Euroz Securities, and subsequent to the period end, a move towards greater board independence with the announcement of a new Independent Non-Executive Director commencing 1 May 2017.

1. ANTAS MINE

The Antas Mine had a strong start to 2017 with an excellent safety performance, and copper and gold production above guidance. This performance is exceptional when it is considered that the plant also completed an extended maintenance shutdown.

This did however, mean that costs for the quarter were higher than the previous quarter due to processing plant maintenance being brought forward, in addition to a drawdown of inventory stockpiles because of a higher strip ratio, lower payable copper production and a negative impact from movements in the foreign exchange rate (strengthening of the Brazilian Real).



SAFETY

The Antas Mine continued with the excellent safety performance with no lost time injuries reported for the quarter. A total 1,871,959 man hours without a lost time injury have now been achieved on the project to date.

MINING AND PROCESSING

The Antas Mine achieved the Company's First Quarter guidance with 3,506 tonnes of copper metal in concentrate produced and beat the upper-end of guidance for gold production in concentrate with 2,783oz produced. These results aligned well with the Company's expectations, especially considering that the period covers the first wet season since commissioning.

	Units	Q1 2017	Q4 2016	Variance
Mining				
Total Material Mined	t	1,543,843	1,680,311	-8%
Ore Mined	t	116,973	210,137	-44%
Copper Grade	%	1.90	2.52	-25%
Gold Grade	g/t	0.50	0.73	-32%
Processing				
Tonnes Processed	t	157,161	172,320	-9%
Copper Grade	%	2.29	2.40	-5%
Gold Grade	g/t	0.65	0.60	+8%
Copper Recovery	%	97.20	97.20	-
Gold Recovery	%	84.91	85.82	-1%
Production				
Concentrate	DMT	12,432	14,243	-13%
Contained Copper	t	3,506	4,010	-13%
Contained Gold	oz	2,783	2,839	-2%
Concentrate Copper Grade	%	28.20	28.16	+0%
Concentrate Gold Grade	g/t	6.96	6.20	+12%

Mining

With the Stage One pit close to depletion, Quarter 1 2017 saw transition to the majority of ore production being sourced from the top of the Stage Two cut back. The Stage Two pit goes behind and underneath the Stage One pit, which aligns with the continuation of the same high-grade zone that was mined in the Stage One pit. Mining during the quarter focused on the Stage Two cut back, with pre-stripping of overburden preparing the mine for transition to Stage Two.

Mining total tonnage movement was similar to the previous quarter, with the slight negative variance attributable to unforeseen premature mechanical failures with the primary excavator, which have been resolved. Ore tonnage movement was significantly reduced as per the mine plan, with material moved being mostly overburden associated with Stage Two pre-stripping.



High grade massive sulphide ore from Stage Two

Ore grades were as expected for the top of the Stage Two cut back, and are not comparable to the previous quarter when mining concentrated on high grade ore at the bottom of the Stage One pit. In comparison with expectations (reserve) for the top of the Stage Two cut back, grade was slightly better than anticipated for this part of the orebody. Material stockpiled from the previous quarter was designed to buffer production (mill feed) during the Stage Two cut back.

Grade control drilling shows the continuity and robustness of the high-grade zone continuing in the Stage Two pit, from the Stage One pit high grade zone.

Mine Reconciliation – Project to Date	Actual Mined	Ore Reserve	Variance (%)
Copper Metal Tonnes	14,448	15,225	-5%
Gold Metal Ounces	13,232	11,295	+17%

During the quarter, there was a modest negative reconciliation between copper production and reserves, while gold continued to show positive reconciliation. The variance in copper metal tonnes is attributed to mining focused on the Stage 2 cut back. Following pre-stripping of overburden at the top of the Stage 2 cut back, low and medium grade ores in and around the transition zone, from oxide to fresh rock, were more variable. This is a feature specific to the transition zone from oxide to fresh rock, and this variance was anticipated in the mine plan.

In keeping with the short term mine plan, mining production was buffered by the large ROM stockpile from the previous quarter (see updated reserve statement below) that was accumulated for this purpose, to smooth out production demands while maintaining guidance for copper production.



Grade Control Drilling in the Stage Two pit

Antas Mine Mineral Reserves

The Antas Mine JORC Mineral Reserve was revised for depletion at the end of the financial year 31 December 2016, in accordance with reporting requirements.

Depletion was carried out in accordance with accepted practices, via the removal of material (including tonnes and grade) based on accurate survey measurement of the pit floor and surrounds

at year-end, compared to the surveyed surface used for the previously reported August 2014 Mineral Reserve.

Previous Antas Copper Mine Mineral Reserve Statement, August 2014

ANTAS NORTH – JORC Reported Ore Reserves. August 2014 ^{12,13}							
Classification	Type	Economic Cut-Off Cu%	Tonnes (Mt)	Copper (%)	Gold (g/t)	Copper Metal (T)	Gold (Oz)
Antas Mine	Proved	0.65	1.73	3.05	0.65	52,700	36,100
	Probable	0.65	1.89	2.05	0.46	38,700	27,900
TOTAL PROVEN + PROBABLE			3.62	2.53	0.55	91,000	64,000

At 31 December 2016, Depleted Antas Copper Mine Mineral Reserve Statement

ANTAS NORTH – JORC Reported Ore Reserves. December 2016 ¹³							
Location	Classification	Economic Cut-Off Cu%	Tonnes (Mt)	Copper (%)	Gold (g/t)	Copper Metal (T)	Gold (Oz)
Antas Mine	Proved	0.65	1.23	3.34	0.73	41,100	28,900
	Probable	0.65	1.69	2.16	0.47	36,500	25,500
Antas Mine Stockpiles	Proved	0.65	0.12	2.26	0.53	2,800	2,100
TOTAL PROVED + PROBABLE			3.04	2.64	0.58	80,400	56,500

The reduction in copper metal contained within the Antas Mine JORC Mineral Reserves concur with the known material change due to mining movement, when talking into consideration material held in mine stockpiles, as reported in the above Reserve Statement.

The existing Competent Person's Consent, material assumptions, and technical parameters underpinning the Antas Copper Mine JORC Mineral Reserve estimate continue to apply¹².

Processing

During the Quarter, the Antas Processing Plant underwent a planned major 10-day optimisation shutdown for maintenance. Enhancement and preventative works were carried out throughout the plant including the crushing, milling and flotation circuits, notably:

- Re-lining of the ball mill with METSO Polimet liners;
- Delivery, installation, commissioning and technical certification of the chain calibrator on the 2010-TC-01 conveyor belt feeding the ball mill;
- Replacement of the Spout Feeder with improved design;
- General audit inspection of the mill by METSO specialists (inspection of trunnions, pinion, bearings, crown gear and associated alignments);
- Relocation of the 34.5 kV power lines from the concentrate truck parking area;
- Replacement of manual flotation level control valves with pneumatic units;
- Structural reinforcement of the plating and internal rubber lining of the tank of the concentrate filter feed tank; and
- Annual maintenance of the primary crusher, including bearing and shaft change.

Operation of the tertiary crusher has reduced the operating load on the secondary cone crusher and increased crushing capacity to approximately 200tph. The circuit is now more robust and reliable.

During the first quarter, the concentrate haulage contractor, started a programme to replace its fleet with more efficient 16 x 9-axle trucks. It is expected that this will result in some costs savings by

employing a two-containers instead of single container haulage fleet for transporting concentrate to the port of Visa do Conde. The entire fleet programme will be completed during the second quarter.

OPERATING COSTS

Antas recorded a C1 unit cash cost per payable pound of payable copper for the quarter of US\$1.52/lb, a 25% increase compared to the previous quarter due the negative impact of Brazilian Real appreciation against the USD, lower payable production, unforeseen additional costs in plant maintenance, higher stockpiles utilisation and unfavourable tax credit adjustments.

The lower copper production and associated increased cost was partially offset by an increase in gold credits due to higher sales volumes.

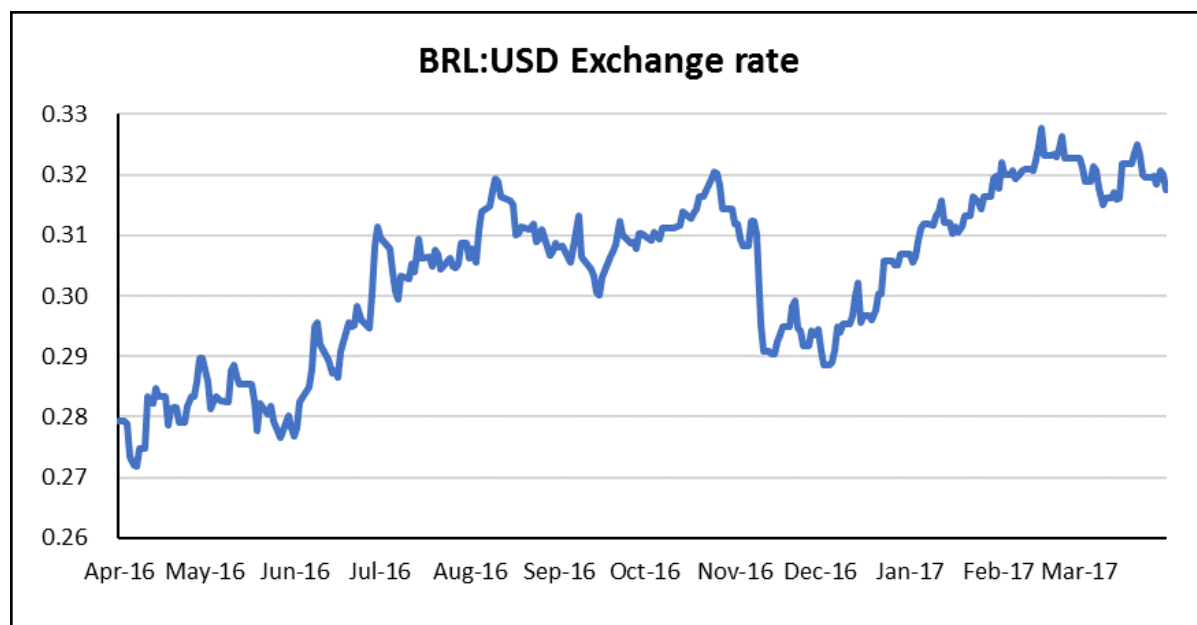
Cost reduction initiatives are under consideration, whilst still being cognisant that the Brazilian Real continues to be strong and certain tax challenges remain.

	<i>Units</i>	Q1 2017	Q4 2016	<i>Variance</i>
Payable Copper Production	<i>'000lbs</i>	7,454	8,527	-13%
Production Costs				
Mining Cost	<i>US\$/lb</i>	0.87	0.79	+10%
Processing Cost	<i>US\$/lb</i>	0.43	0.39	+10%
Administration Cost	<i>US\$/lb</i>	0.10	0.08	+25%
Subtotal	<i>US\$/lb</i>	1.40	1.26	+11%
Selling Costs				
Freight and Expediting	<i>US\$/lb</i>	0.31	0.22	+41%
Gold Credits	<i>US\$/lb</i>	(0.43)	(0.38)	+13%
Smelter Charges	<i>US\$/lb</i>	0.21	0.22	-5%
Subtotal	<i>US\$/lb</i>	0.09	0.06	+50%
Cash Operating Costs	<i>US\$/lb</i>	1.49	1.32	+13%
Movement Stockpiles	<i>US\$/lb</i>	0.03	(0.10)	-130%
C1 Unit Cash Costs*	<i>US\$/lb</i>	1.52	1.22	+25%
All in Sustaining Unit Cash Costs	<i>US\$/lb</i>	1.95	1.53	+27%
Average USD/BRL	<i>USD/BRL</i>	3.14	3.30	-5%

**C1 and All in Sustaining unit cash costs are calculated per payable pound of copper produced and adjusted for inventory movements during the period. Mining costs include the full cost of all waste mined during the period.*

2017 QUARTER 1 PRODUCTION AND COST GUIDANCE

The Company's costs are predominantly in Brazilian Real. Over the first quarter of 2017 and indeed since the fourth quarter 2015, the Brazilian Real has strengthened significantly against the US Dollar. In addition to Brazilian inflation, this has affected actual local costs, and translation of costs as reported in US Dollars.



SOURCE: Bloomberg

With these factors in mind, for the remainder of the 2017 financial year the Company is providing guidance for cash costs at:

C1 Costs: \$1.35 to \$1.50 / lb payable copper

AISCC \$1.65 to \$1.80 / lb payable copper

(All In Sustaining Cash Costs)

SALES

	Units	Q1 2017	Q4 2016	Variance
Concentrate Sales				
Copper in Concentrate Sold*	'000lb	7,945	8,211	-3%
Gold in Concentrate Sold**	oz	2,607	2,589	+1%
Provisional Sales (excluding costs)	US\$'000	26,199	23,009	+14%
Finalised Sales (excluding cost)	US\$'000	417	(278)	+260%

* Including 698,000lb finalised copper sales adjustment during the first quarter 2017 (Q4 2016: 177,000lb). See reconciliation below.

** Including 248oz finalised gold sales adjustment during the first quarter 2017 (Q4 2016: 15oz). See reconciliation below.

A total of 8,643,200 pounds of copper and 2,855 ounces of gold were sold during the first quarter at average provisional prices of US\$2.62/lb copper and US\$1,210/oz gold respectively, resulting in gross provisional sales of US\$26.1 million (Q4 2016: US\$23.0m).

During the previous quarter, the Company sold forward 4,000 tonnes and secured final prices at \$5,757.90 per tonne with its offtake partner permitted within the offtake contract. This pricing is effective for shipments that commenced during December and have been allocated to

approximately 70% of the payable copper of each shipment until the Company has shipped the 4,000 tonnes of allocated payable copper. The approximate 30% remaining for each shipment will be at quotational period prices. As at 31 March 2017 the Company had delivered approximately 80% of the forward sale. 825 tonnes remain forward sold at an average price of approximately \$5,952.20 per tonne.

Sales finalised during the Quarter

Final concentrate assays for twenty-nine shipments were agreed and finalised with the customer during the quarter. Reconciliation of the differences, that included assay, weight and pricing adjustments resulted in a net cash benefit of US\$417,000.

Sales	Units	Provisional	Final	Variance
Copper				
Copper in Concentrate Sold	'000lb	16,130	15,432	-698
Copper Sales (excluding costs)	US\$'000	34,782	35,563	+781
Copper Price	US\$/lb	2.16	2.30	+0.14
Gold				
Gold in Concentrate Sold	Oz	4,981	4,733	-248
Gold Sales (excluding costs)	US\$'000	6,462	6,098	-364
Gold Price	US\$/oz	1,297	1,289	-8
Copper and Sales (excluding costs) net effect	US\$'000	41,244	41,661	417

The analytical methodology and laboratory used for final assaying the Antas concentrate was changed during the previous quarter to align with the methodology used by the offtake partner. This change came about after investigations of a constant discrepancy when exchanging and agreeing on final concentrate assay grades. The differences received for the finalised shipments during the quarter resulted in an approximate reduction of 4.3% in payable copper and 4.9% decrease in gold ounces previously reported. The financial impact has been more than offset by metal pricing adjustments.

2. PEDRA BRANCA

PEDRA BRANCA EAST DEVELOPMENT

All previously commissioned surface infrastructure projects were completed on time and within budget prior to the worst of the wet season. Site activities have stopped temporarily for the remainder of the wet season, during which time the Pre-Feasibility Study (PFS) will be completed.

Early works included the completion of the box-cut, cutting of the portal entrance, as well as establishing access roads, the by-pass around the village of Feitosa, construction of a new 120 metre long concrete bridge over the Placa river. Onsite infrastructure works, including internal roads, drainage, workshop and an explosives magazine were also completed.

PEDRA BRANCA EAST EVALUATION STUDY

As previously advised, with the increase in production at the Antas Mine capitalising on some of the spare capacity in the Antas Plant, the Pedra Branca¹ PFS has been revised to follow the original scope laid out in the Pedra Branca Scoping Study² (September 2016), which uses a base case of a 1.2 Mtpa standalone mine.

The previous PFS format used the key assumption that approximately 200 ktpa of spare capacity was available at the Antas Plant. This is no longer the case, with spare capacity having reduced to approximately 100 ktpa following expansion at Antas itself.

Furthermore, since commissioning the Pedra Branca PFS in 2016, to evaluate a low CapEx alternative for starting the Pedra Branca (the “Hangingwall High Grade Zone” model), the copper price has increased significantly, improving the opportunity for a standalone mine at Pedra Branca.

A standalone mine processing 1.2 Mtpa is now the sole focus for the Pedra Branca PFS, with modelling initially targeting 24,000 tpa copper in concentrate. It is expected that the PFS will support a management decision to immediately commence a Definitive Feasibility Study, which would also include a drill out of the Pedra Branca East deposit and declaration of JORC compliant reserves.

Although with substantial changes to the scope and dimensions of the PFS, work is very advanced and will be released in May 2017

CENTROGOLD PROJECT

RESOURCE STUDIES

The Cipoeiro Deposit within the CentroGold Project³ consists of two separate zones; the Contact Zone and the Blanket Zone, for which maiden mineral resources estimates (MRE’s) have been reported previously, and within which all resources were classified to the inferred category under JORC (2012). Together they are host to over 1.2Moz of gold at an average grade of 2.0g/t.

Classification of these MRE’s to include portions in a higher confidence category, has been made possible subsequent to the completion of two key outstanding pieces of work that previously constrained their classification under JORC (2012). These works were:

- Detailed QAQC study and analysis of all historical drilling/assaying; and
- A site visit by the Company’s independent resource consultants.

Following completion of these works, the existing CentroGold MREs have been re-evaluated for classification under JORC (2012). Key conclusions from this work include:

- Approximately 90% of resources at the geologically simpler Blanket Zone, now fall in the indicated category;
- Approximately 25% of resources at the geologically more complex Contact Zone, now fall in the indicated category;
- Indicated resources at the Contact Zone are present in an area of the deposit that has more attractive grade, averaging 2.5 g/t gold; and
- Overall, approximately 65% of resource tonnes at Cipoeiro are in the indicated category.

This work clears the way for completion of the CentroGold Scoping Study, based on resources which are majority indicated. An independent resource consultant has been commissioned to complete the study independently. It is expected that the full CentroGold Scoping Study will be completed and released in May 2017. The re-classification of resources to JORC (2012) standard, above a cut-off grade of 1.0 g/t is detailed below:

CentroGold Mineral Resources - April 2017				
Cipoeiro Deposit	Category	Million Tonnes	Au (g/t)	Gold Metal (Oz)
Contact Zone	Indicated	2.1	2.5	168,000
	Inferred	5.9	2.2	424,000
	Total	8.1	2.3	592,000
Blanket Zone	Indicated	10.8	1.7	597,000
	Inferred	1.4	2.2	97,000
	Total	12.2	1.8	694,000
CentroGold Total		20.2	2.0	1,286,000

Management believe that the project has the potential to support a scalable, low-CapEx open pit mining operation, with further growth potential at the nearby Chega Tudo Deposit and within the large contiguous tenement package.

FORWARD PROGRAM

With the completion of work programmes required to reclassify existing JORC (2012) mineral resources, and more than 50% of resources classified in the indicated category, the Company is now able to complete a Scoping Study on the CentroGold Project.

LICENSING UPDATE

Resolution of licensing issues continue to make satisfactory progress, with the relevant agencies involved in the process. Furthermore, the Company's representatives are actively engaging the local community and believe that there is support for any mine development plan that could have a positive socio-economic benefit for the region.

3. REGIONAL EXPLORATION

The focus of regional exploration during the quarter, has been the use of the new ground EM (electromagnetic) equipment.

To date ground EM has been completed over the actual Antas open pit, to illuminate massive sulphide conductors deeper in the final pit design and potentially below the pit, which will enhance drill targeting in the current resource and reserve expansion drilling programme on the Antas deposit.

EM work has now progressed to existing VTEM (airborne EM) that lie only a few hundred metres northeast of the Antas pit. Several historic scout drill holes were completed by Avanco in 2011 and 2012, during the earliest of drill programmes over what was the Antas North (now Antas mine) discovery. This work intersected economic copper mineralisation, including several small intersections of massive sulphides. It is believed these targets have a high potential to supply additional tonnes of ore proximal to the existing Antas pit. Ground EM will provide far better definition to the targets as a prelude to near mine exploration drilling.

At the Antas mine the resource and reserve expansion drilling programme has just commenced, with the first hole situated just off the southeast end of the existing Antas resource. A second rig will join the effort shortly, ramping up and aiming to complete the 5,000-metre programme by July.

CORPORATE

CASH BALANCES

The Company continues to produce positive cash inflow from operations. Avanco remains committed with its exploration and development programs, being fully funded from cashflows.

As at the 31st March 2017, the Company's cash position had increased to US\$23.1m compared to US\$22.9m at the end of the fourth quarter 2016.

Quarterly Cash Position Reconciliation	US\$'000
Cash Position - 1 January 2017	22,866
Sales receipts <i>net of treatment and refining costs</i>	21,244
Operating costs <i>including royalties, admin and corporate</i>	(19,352)
Free cashflow from operations	1,892
Interest earned and foreign exchange movements in cash held	252
Sustaining capital expenditure	(316)
Exploration and development expenditure	(1,551)
Total cash increase	277
Cash Position - 31 March 2017	23,143

Tony Polglase
Managing Director

For further information please visit www.avancoresources.com or contact:

Nicholas Bias
Head of Corporate Affairs
nbias@avancoresources.com
Tel: +61 (0)497 888 227 / +44 (0)7771 450 679

Notes:

Financial numbers, unless stated as final, are provisional and subject to change when final grades, weight and pricing are agreed under the terms of the offtake agreement.

Figures in this announcement may not sum due to rounding.

All dollar amounts in this report refer to United States Dollar unless otherwise stated.

Avanco has elected to present this report with comparable results of the Fourth Quarter 2016 considering that the Company's focus during the First Quarter 2016 was the development and construction of the Antas Norte plant. Going forward, Avanco will present its results with comparable figures from the previous year.

CARAJAS COPPER – Mineral Resources ^{5,6,7,8,9}							
DEPOSIT	Category	Million Tonnes	Cu (%)	Au (ppm)	Copper Metal (T)	Gold Metal (Oz)	
PB East ¹⁰	Measured	1.98	2.7	0.7	53,000	43,000	
	Indicated	5.72	2.8	0.7	161,000	123,000	
	Inferred	2.78	2.7	0.6	75,000	55,000	
	Total	10.48	2.8	0.7	289,000	221,000	
PB West ¹⁰	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	17.67	2.44	0.65	427,000	357,000	
ANTAS NORTH ¹⁰	Measured	1.96	3.42	0.76	67,000	48,000	
	Indicated	1.61	2.23	0.42	36,000	22,000	
	Inferred	1.89	1.59	0.23	30,000	14,000	
	Total	5.46	2.43	0.48	133,000	84,000	
ANTAS SOUTH ¹¹	Measured	0.59	1.34	0.18	8,000	3,000	
	Indicated	7.50	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		33.21	1.95	0.49	645,000	506,000	
ANTAS COPPER MINE – Ore Reserves ^{12,13}							
LOCATION	JORC Category	Economic Cut-Off Cu%	Million Tonnes	Copper (%)	Gold (g/t)	Copper Metal (T)	Gold Metal (Oz)
ANTAS MINE	Proved	0.65	1.23	3.34	0.73	41,100	28,900
	Probable	0.65	1.69	2.16	0.47	36,500	25,500
MINE STOCKPILES	Proved	0.65	0.12	2.26	0.53	2,800	2,100
TOTAL PROVEN + PROBABLE			3.04	2.64	0.58	80,400	56,500
CENTROGOLD – Mineral Resources ⁴							
DEPOSIT	Category	Million Tonnes	Au (g/t)	Gold Metal (Oz)			
CONTACT ZONE ¹⁴	Indicated	2.1	2.5	168,000			
	Inferred	5.9	2.2	424,000			
Total		8.1	2.3	592,000			
BLANKET ZONE ¹⁴	Indicated	10.8	1.7	597,000			
	Inferred	1.4	2.2	97,000			
Total		12.2	1.8	694,000			
TOTAL		20.2	2.0	1,286,000			

Competent Persons Statement

The information in this report that relates to Exploration Results and Mineral Resources is an accurate representation of the available data and 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.

1. The Pedra Branca (PB) deposit is defined as an Iron Oxide Copper Gold (IOCG) deposit, typical of that found in the Carajas Province of Brazil, and well documented in respected geological texts
2. Refer ASX Announcement "Pedra Branca East Scoping Study Clears Pathway to Decline Development", 12 September 2016
3. Gold mineralisation within the CentroGold project is typical of mesothermal vein-style, or orogenic-style gold deposits
4. Refer ASX Announcement "CentroGold – Improved Mineral Resource Confidence Advances Scoping Study", 26 April 2017, for Competent Person's Consent, material assumptions, and technical parameters underpinning the CentroGold Mineral Resource estimates
5. Refer ASX Announcement "Pedra Branca Resource Upgrade, Advances Development Strategy", 26 May 2016, for Competent Person's Consent, material assumptions, and technical parameters underpinning the Pedra Branca East resource estimates
6. 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 West resource estimate
7. 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
8. 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
9. 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
10. Grade Tonnage Reported above a Cut-off Grade of 0.9% Copper
11. Grade Tonnage Reported above a Cut-off Grade of 0.3% Cu for Oxide Resources
12. 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
13. Measured and Indicated Resources are inclusive of those Mineral Resources modified to produce the Ore Reserves
14. Grade Tonnage Reported above a Cut-off Grade of 1.0g/t Gold

Interests in Mining Tenements Held

Project	Property Name	Tenure Title Holder	Interest %	AREA (ha)	DNPM ⁸ No of Area	Status of Tenure
STAGE 1	RIO VERDE	AVB	100	7,290.69	PL 470	Mining Concession
	RIO VERDE	AVB	100	7,290.69	853.714/1993	Mining Concession
	RIO VERDE	AVB	100	2,009	300.375/2013	#
	SERRA VERDE	AVB	100	2,391	850.622/2007	#
	SERRA VERDE	AVB	100	7,359	850.892/2006	Granted to 2018
	ESTRELA EAST	VDM**	100	4,230	850.825/2005	Granted to 2019
	AGUA BOA	VDM	100	1,327	850.016/2013	#
	AGUA BOA	ARM	100	8,907	850.823/2005	***
	AGUA BOA	ARM	100	6,552	850.552/2016	Granted to 2019
	AGUA BOA	VDM	100	8,957	850.826/2012	***
STAGE 2	PEDRA BRANCA	VDM	100	3,195	850.318/2000	Final Report Approved
	PEDRA BRANCA	VDM	100	8,881	850.570/2003	Granted to 2016
	PEDRA BRANCA	AVB	100	4,106	850.202/2013	Granted to 2016
	PEDRA BRANCA	VDM	100	9,391	850.707/2009	Granted to 2017
	PEDRA BRANCA	VDM	100	9,879	850.526/2004	Granted to 2017
	PEDRA BRANCA	VDM	100	1,040	850.278/2005	Granted to 2017
	PEDRA BRANCA	EST	100	4,998	850.053/2014	Granted to 2018
	PEDRA BRANCA	VDM	100	9,859	851.067/2007	Granted to 2018
	PEDRA BRANCA	VDM**	100	240	850.217/2000	Granted to 2018
	PEDRA BRANCA	AVB	100	5,000	851.674/2011	Granted to 2018
	PEDRA BRANCA	VDM	100	7,770	850.780/2012	Granted to 2018
	PEDRA BRANCA	VDM	100	9,988	850.226/2009	Granted to 2019
	PEDRA BRANCA	EST	100	5,000	850.228/2016	Granted to 2019
	PEDRA BRANCA	AVB	100	598	300.420/2011	#
	PEDRA BRANCA	VDM**	100	4,980	850.146/1995	#
	PEDRA BRANCA	VDM**	100	9,993	850.173/2002	#
	PEDRA BRANCA	VDM**	100	9,755	850.181/2001	#
	PEDRA BRANCA	VDM**	100	10,000	850.300/1993	#
	PEDRA BRANCA	VDM**	100	8,047	850.191/2005	#
	PEDRA BRANCA	EST	100	4,999	851.700/2013	#
	PEDRA BRANCA	VDM	100	3,195	300.710/2014	#
CANAÃ WEST	CANAÃ WEST	VDM**	100****	5,024	850145/1995	Granted to 2018
	CANAÃ WEST	VDM**	100****	10,000	850994/2011	Granted to 2017
	CANAÃ WEST	VDM**	100****	5,753	854951/1995	#
Carajas Regional Trindade Iron Project Touro Nickel Project	CARAJAS REGIONAL	ARM	100	9,724	850.288/2014	Granted to 2018
	TRINDADE NORTH	AVB	100	4,967@	850.283/1999	Final Report Approved
	TRINDADE SOUTH	AVB	#	9,797	850.781/2013	#
	TRINDADE SOUTH	AVB	100	9,797	850.569/2011	Granted to 2018

AVB = AVB Mineraçao. ARM = Avanco Resources Mineraçao. VDM = Vale Dourado Mineraçao. EST = Estela do Brazil Mineraçao.

* Final Exploration Report approved by the National Department of Mineral Production.

** Expected to be, or awaiting or in the process of being transferred into respective subsidiary

*** Subject to pending legal process

**** Subject to conditions of the acquisition agreement

@ Pending size reduction

^ Application for an extension of term, awaiting decision

New application (or Bid) for exploration permit (size of tenement may be reduced/reshaped, if approved and before approval)

Summary of Development, Exploration and Evaluation Expenditure Incurred per Project

Project	Current Quarter Payments (\$US'000)
Antas	-
Pedra Branca	1,201
CentroGold Project	220
Regional Exploration	130
Total	1,551