



Avanco Resources (ASX: AVB)

5 May 2017

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EXPLORATION BOLSTERED WITH DEPLOYMENT OF ADDITIONAL GROUND EM EQUIPMENT

Avanco Resources (ASX: AVB) (Avanco or the Company) is pleased to advise that further to the US\$10.6 million exploration budget announcement made on 27 March 2017, that EM (electromagnetic) equipment is already deployed in the field, and that a second EM unit has been received facilitating an acceleration of exploration activities.

HIGHLIGHTS

- The ground EM equipment, with associated ancillaries is currently in service in and around the Antas Mine.
- A second complete ground EM set of equipment and a new DigiAtlantis downhole EM probe have been received.
- Avanco has tested and proven with a 100% success correlation that EM is ideal due to the style of sulphide mineralisation in Carajás IOCG deposits.
- The Company's geophysical consultants have completed an extensive training programme at Antas and Pedra Branca where the orebodies are well understood and have significant existing VTEM² anomalies
- The second EM unit will be used to accelerate work in greenfield exploration and to independently operate the downhole EM probe, with the aim of generating more drill targets faster.
- Management believes that complementing Avanco's exploration activities with a full-time EM crew will significantly accelerate and enhance the Company's prospects for more exploration success.

BACKGROUND

The first EM unit is a complete EMIT³ SMART Transient Electro-magnetic (TEM) system, used for both MLTEM (Moving Loop TEM) and FLTEM (Fixed Loop TEM) techniques. It is complemented with the purchase of a SMART fluxgate sensor and a Geonics 3D coil sensor, which measures EM response on the ground, completing the ground EM package.

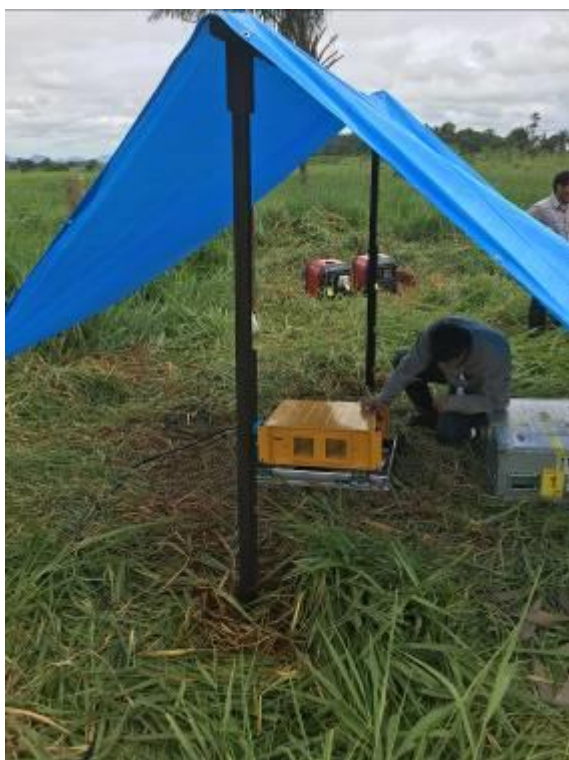
The second EM unit is identical to the first but with the addition of an EMIT DigiAtlantis (fluxgate) downhole EM probe. This unit will be used to accelerate ground EM production in the field and for operating and powering the downhole EM probe to support ongoing drill programmes.

The application of downhole EM is particularly useful for extending the influence of the EM coverage beyond the scope of depth, of surface EM and with a greater level of detail around individual drill holes. In practical terms this is particularly relevant to the current reserve expansion drill programme at the Antas Mine, where it will initially be deployed.

The nature of high grade massive sulphide mineralisation at Antas lends itself ideally to the application of downhole EM, where the detection of “off-hole” conductors below intersections of massive sulphide chalcopyrite, that have already been logged in new drilling, allow for the clear identification of mineralisation below drill holes, and more importantly the location of the continuation of mineralisation at depth for the accurate targeting of subsequent drill holes.

The SMARTem system has a higher energy 40 Amp capacity, compared to the older 20 Amp systems. The coil sensor has a bandwidth of 60kHz, while the fluxgate has a bandwidth of 3kHz. In practical terms this means the coil will provide high resolution results in near-surface and weakly conductive ground conditions, while the fluxgate serves to provide higher resolution on highly conductive and deeper targets. Since the new SMARTem system reads 8 channels simultaneously, both sensors can be used concurrently to greatly improve survey speed.

SMARTx4 Transmitter in Operation



Fluxgate Sensor in Foreground, SMARTem24 Receiver in Background



Historical VTEM (airborne EM) has clearly defined superb EM conductors associated with the mineralisation hosted at Antas, Pedra Branca East and Pedra Branca West. Collaborative work carried out in the Carajás in recent years has also tested a large array of known IOCG deposits, and both high and low-grade; small, medium and large IOCG deposits were all shown to respond positively to the application of EM.

Management believe the anticipated performance of EM equipment justifies the investment in the second unit and that it will prove a valuable exploration tool as the Company continue to advance exploration at its existing projects and seeks new discoveries in the Carajás.

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1. Iron Oxide Copper Gold (IOCG) deposit. Typical of that found in the Carajás Province of Brazil, and well documented in respected geological texts.
2. Vertical Transient Electromagnetic (VTEM) survey. A type of airborne EM survey, typically performed with helicopter mounted equipment.
3. ElectroMagnetic Imaging Technology Pty Ltd of Perth, WA, Australia.