

16 August 2017

## Avanco Presentation: Private Shareholder Marketing

**ASX: AVB ('AVANCO' OR 'THE COMPANY')** is pleased to lodge a presentation for the Australian private shareholder marketing taking place over the next two weeks in Brisbane, Sydney, Melbourne, Adelaide and Perth.

TONY POLGLASE  
MANAGING DIRECTOR

For further information please visit [www.avancoresources.com](http://www.avancoresources.com) or contact

Nicholas Bias  
Head of Corporate Affairs  
Mobile Australia +61 497 888 227  
Mobile UK +44 (0)7771 450 679  
Email [nbias@avancoresources.com](mailto:nbias@avancoresources.com)



Follow @GoAvanco on Twitter

If you have not received your invitation to one of the presentations and would like to attend, please contact Mirella Pereira:  
Telephone +61 8 9324 1865  
Email [mpereira@avancoresources.com](mailto:mpereira@avancoresources.com)

### Avanco

Avanco is a progressive Australian ASX-quoted copper mining company in the world class mineral province of Carajás in Brazil. Antas, the Company's first mine celebrated its first commercial production anniversary in July 2017. Antas demonstrates the Company's ability to create value at every stage, from exploration discovery through to commercial production. In the near-term Avanco has clear plans to expand through exploration and the development of new projects, notably Pedra Branca. Avanco's mission is to be a mid-tier copper producer with the benefit of significant gold credits. The Company is also advancing the CentroGold Project and Carajas exploration portfolio, whilst seeking M&A opportunities. The company is financially strong and debt-free.

THE AUSTRALIAN COPPER COMPANY IN BRAZIL



○  
**5 reasons why Avanco is  
the copper story**

**Nick Bias**

August 2017



# Corporate Introduction

## Independent Board, Supportive Shareholders & Conservative Capital Structure



**Colin Jones**  
Chairman

Mining engineer  
BSc, MBA, MIMM,



**Vern Tidy**  
Senior NED

Financial and audit  
BComm, CA



**Luiz Ferraz**  
NED

Resource financier  
BA



**Paul Chapman**  
NED

Resource entrepreneur  
BA, CA



**Tony Polglase**  
CEO

Metallurgical Engineer  
BEng



**Luis Azevedo**  
Exec, Legal

Resources lawyer  
BSc, MA



**Simon Mottram**  
Exec, Exploration

Geologist  
BSc, AusIMM

### Major Shareholders

<b>Appian</b>	18%
<b>Greenstone</b>	17%
<b>BlackRock</b>	13%
<b>Glencore</b>	8%

### Issued Shares / Options

**2,457m / 162m**

### 52 week range

**A\$0.048 - \$0.135**

### Market cap at \$0.105

**A\$258m**

### Cash (30 Jun 17)

**\$26.3m**

### Debt

**\$0**

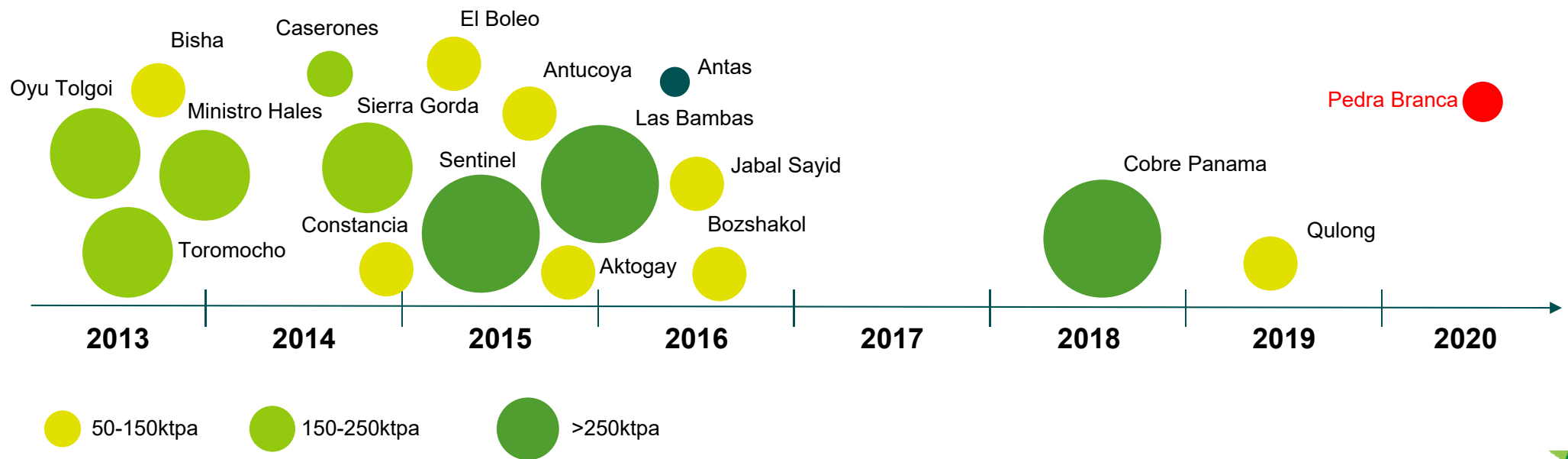


# #1 Copper Market

## Avanco will add new supply in to a looming supply deficit

- Capex cut: 2014-16 industry majors cut annual capex by 40%
- Lack of greenfield projects: after a growth phase few mines are now being built
- Producer challenges: 2000-14 falling Chilean grades & recoveries require more ore for less copper
- Steady demand growth: electric vehicles, China and India are growth drivers

Greenfield copper projects recently completed, approved and construction:

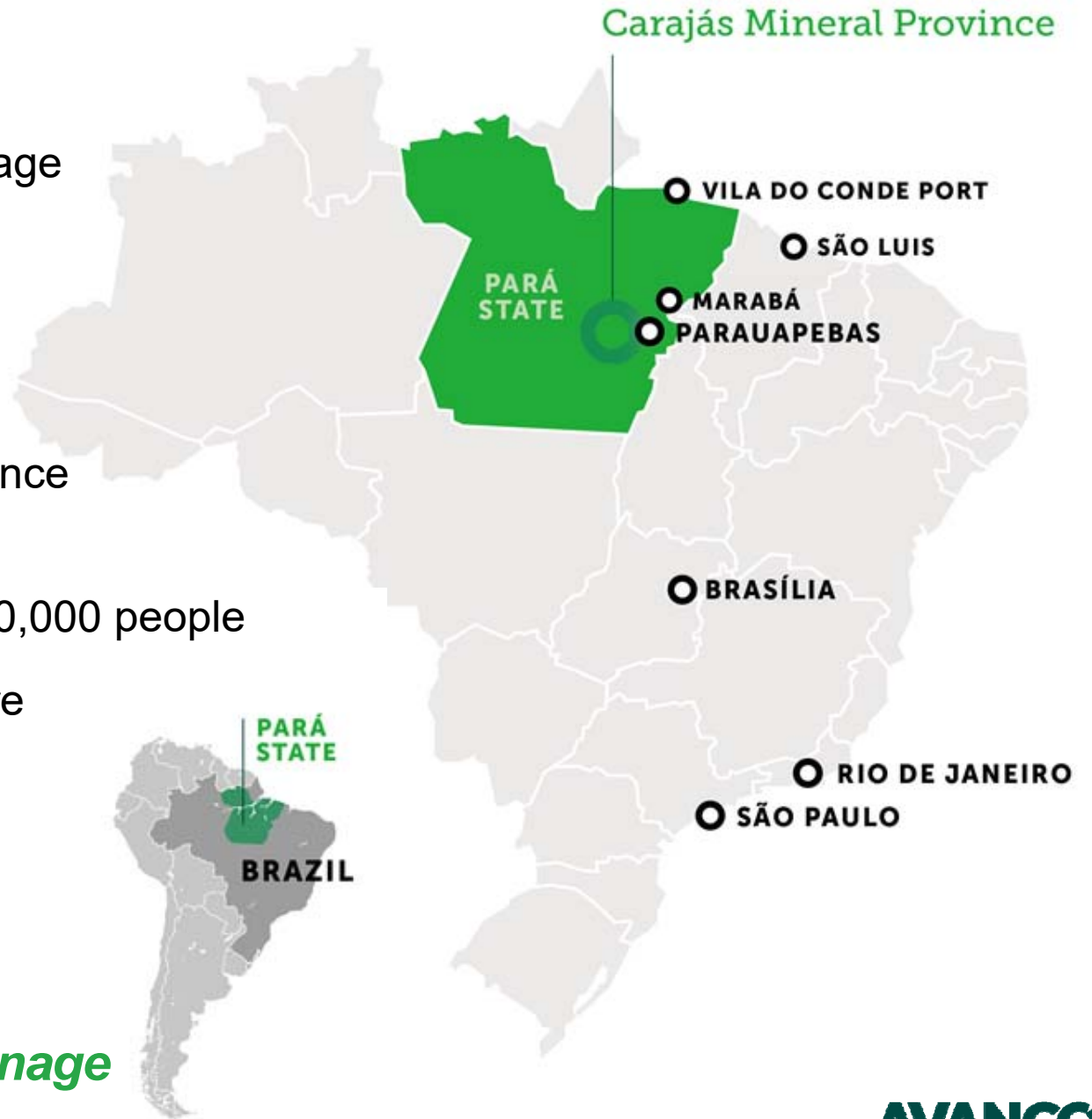


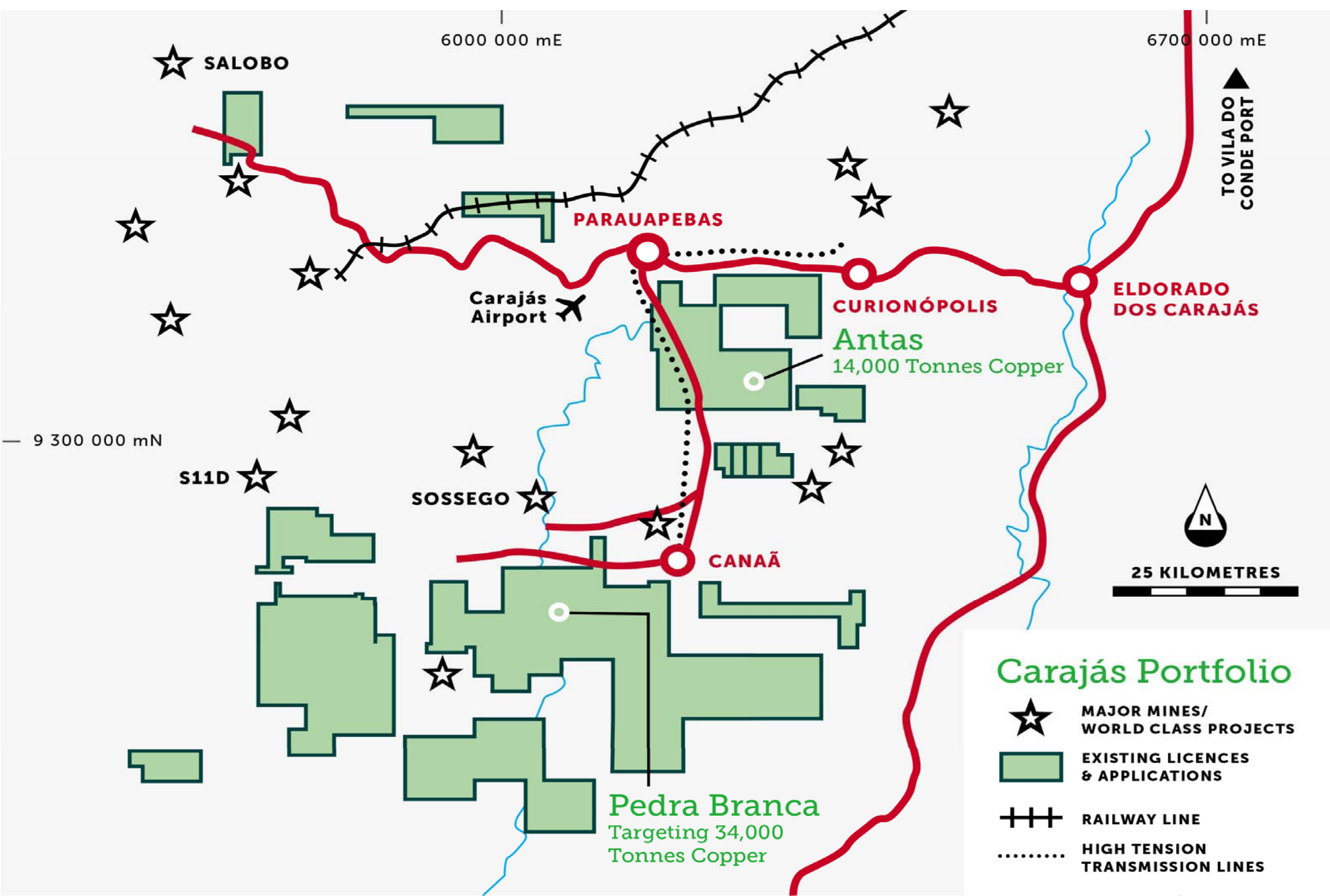
# #2 Geography

## A Brazilian Success Model

- Brazil has a strong mining heritage
- Pro-mining administration
- We operate a Brazilian model *with added Aussie 'know-how'*
- Carajás a premier mineral province *home to world's largest mines*
- Parauapebas, mining town >200,000 people
- World-class mining infrastructure
- Majority Brazilian Board
- 100% of employees live locally

***Carajás hosts the largest concentration of quality tonnage IOCG deposits in the world***





# #3 Track Record

## Proven ability to explore, develop & operate

- First mover advantage following a decade on the ground
- 2nd largest regional land holdings: 100% ownership >1,800 km<sup>2</sup>
- Only new copper discovery development in Brazil in 10 years
- Antas one of world's top-5 high-grade open pit copper mines
- Antas constructed on time and budget
- Operating know-how with Antas above design capacity
- Generating positive cash flows from day one with no debt
- Producing quality low-impurity concentrates, desired for blending
- Partner of choice: respected local and national relationships



# #4 Growth Portfolio

## Our vision is to be a mid-tier copper company

- Focus on larger **Pedra Branca** East Project targeting 24,000tpa Cu production
  - Prime location near Antas with infrastructure access
  - Excellent geology for high-productivity mining
  - Positive PFS; further efficiency opportunities and resources extension in DFS
- **CentroGold** Project offers defensive gold optionality
  - Redesign of large gold project focused on high-grade gold production
  - Scoping study in progress
  - Potential to support scalable, low-capex mining operation
- **Brown & Greenfields exploration** in Carajás: US\$10.6m budget funded from cash flows
  - At Antas targeting resource and reserve expansion to extend life and increase production
  - At PB East targeting resource strike extension, and complementary extension at PBW West
  - Across Carajás exploration tenements targeting new discovery
- Actively seeking **M&A opportunities**

*An attractive pipeline of projects:  
with the technical and capital skills to develop them.*

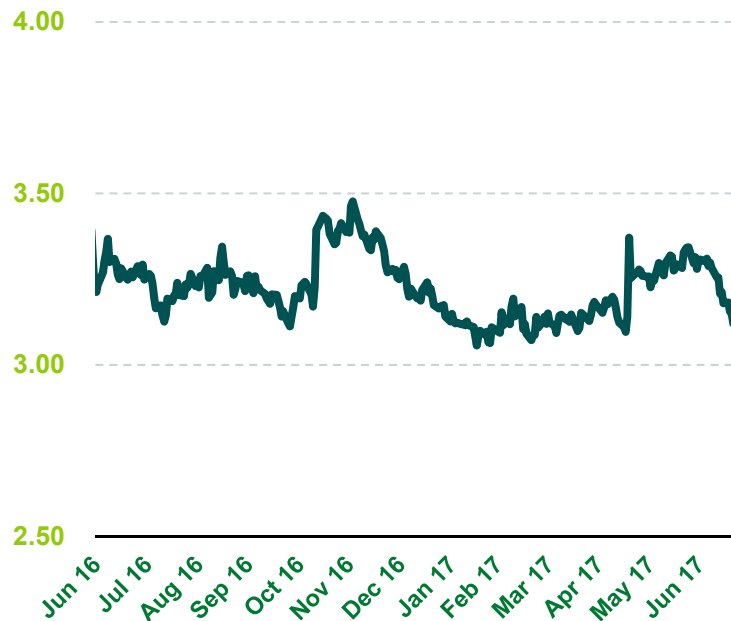


# #5 Capital

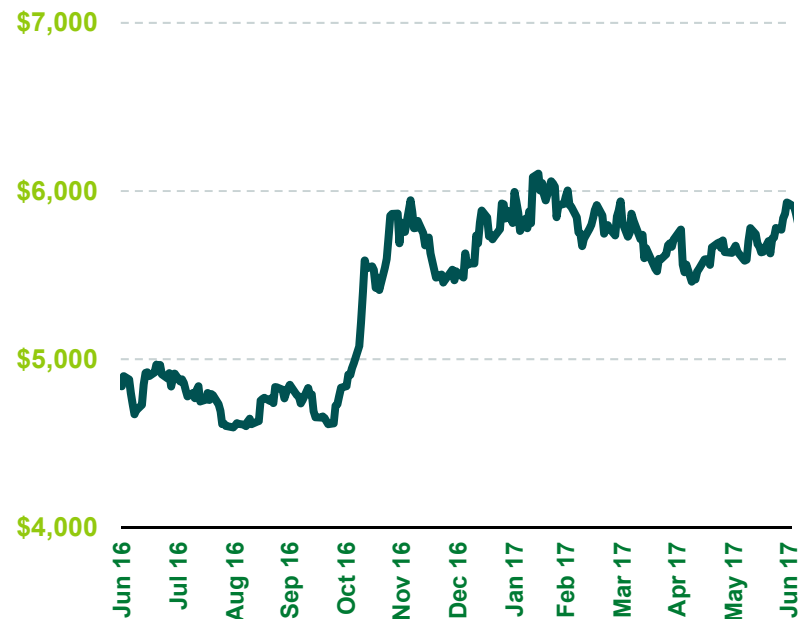
## Conservative Capital Management

- Over 12 months since commercial production
- Q2 2017 free cash flow \$5.7million (Q1 2017: \$1.9m)
- \$26.3 cash at 30 June 2017 (23.1m 31 March 2017)
- No debt

**BRL : USD**



**Copper \$/t**



**Advance with us**  
**avancoresources.com**

**Contact:**

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



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**We are building Australia's  
next mid-tier copper company.  
We know what we want  
and we know how  
we are going to get there.**



**AVANCO** 