

THE AUSTRALIAN COPPER COMPANY IN BRAZIL



First Quarter 2018 Activities Report

30 April 2018





Highlights

Continuing excellent safety performance with no reported lost-time injuries for the year-to-date.

First quarter production of copper in concentrate of 3,016 tonnes in line with guidance.

Takeover offer from OZ Minerals received. Shareholders who accept the offer will obtain \$0.085 cash plus 0.009 OZ Minerals Shares per Avanco Share.

First quarter sales of 2,813 tonnes of copper and 1,886 ounces of gold, generating provisional sales revenue (excluding finalisations and costs) of \$22.67 million.

Free Cashflow from operations of \$5.72 million and Cash at the end of the quarter of \$26.3 million.

ASX: AVB, Avanco Resources Limited (“Avanco” or “the Company”) is pleased to present its First Quarter 2018 Activities Report for the period ending 31 March 2018.

During the first quarter, the **Antas Mine** generated positive cashflows from operations resulting in cash balances increasing to \$26.3 million.

On 27 March 2018, the Company announced an **off-market takeover** offer by OZ Minerals Limited through its wholly owned subsidiary OZ Minerals Brazil (Holdings) Pty Ltd to acquire all the Avanco shares on issue. The Board of Avanco have unanimously recommended that Avanco shareholders accept the offer, subject to no superior proposal being received.

Drilling results were received from **Pedra Branca East (PBE)**¹ and **Pedra Branca West (PBW)**¹, verifying high-grade copper-gold intersections, as well as demonstrating extensions of mineralisation at depth and along strike. An upgraded Mineral Resource Estimate (MRE) has commenced.

A Scoping Study for the **Centro Gold Project** was completed demonstrating the viability of a traditional open pit gold mining operation and a substantial combined mineral resource for the Contact, Blanket and Chega Tudo deposits.

The **Pantera Copper Project** was acquired in January 2018. A Maiden Inferred Mineral Resource Estimate was subsequently reported with an Inferred Resource of 20.8 million tonnes at 1.7% copper and 0.2 g/t gold, for 350,000 tonnes of copper and 140,000 ounces of gold. Drilling is currently.

Figure 1: Antas Production & Financial Results

		Q1 2018	Q4 2017	Quarterly Variance
Copper in concentrate produced	t	3,016	3,309	-8.9%
Gold in concentrate produced	oz	2,390	2,479	-3.6%
Copper in concentrate sold (net of finalisations)	t	2,813	3,339	-15.8%
Gold in concentrate sold (net of finalisations)	oz	1,886	2,254	-16.3%
C1 cash cost	\$/lb	1.70	2.05	-17.1%
AISCC	\$/lb	2.37	2.24	5.8%
Cash at bank	\$m	26.3	24.3	8.2%

CORPORATE

Free cashflow from operations was \$5.72 million. Cash at quarter end totalled \$26.3 million, after capital expenditure of \$5.31 million on projects, exploration and sustaining capital. Secured borrowing of \$1.5 million with a six-month term was drawn down to generate recognition in the Brazilian banking sector. A second copper concentrate offtake agreement was awarded on very competitive terms.

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

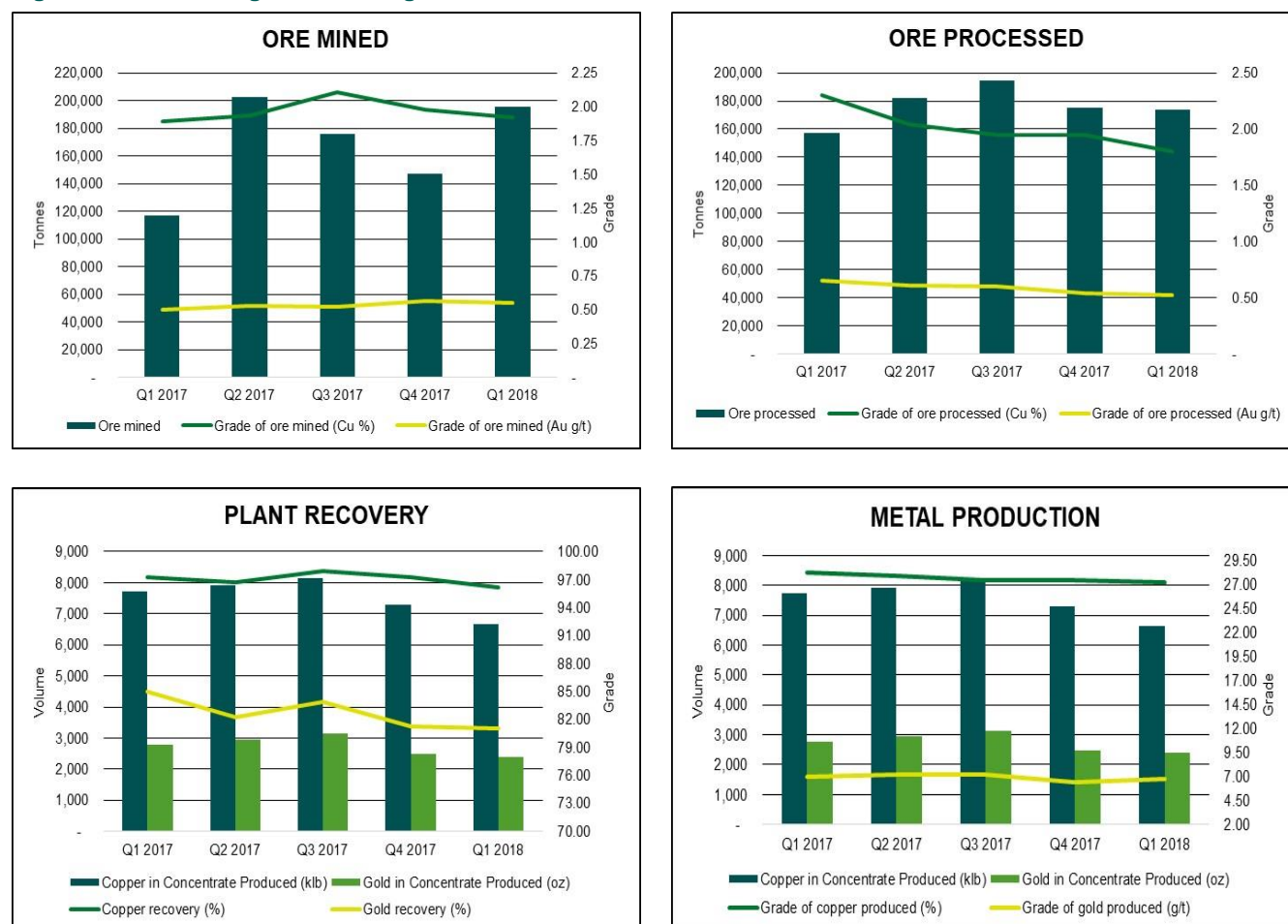
Antas Mine (100%)

Antas is the Company's 100% owned high-grade operating open pit copper-gold mine. Antas was discovered by the Avanco team in 2011, was constructed under budget and on-time within 12 months and entered commercial production in 2016.

SAFETY

Antas reported an excellent safety performance with no reported lost time injuries. To date, a total 2.93 million man hours have been achieved without a lost time incident.

Figure 2: Antas Mining & Processing Statistics



MINING

The quarter finished strongly recovering from the legacy of blast drilling difficulties experienced at the end of 2017. Planned production and development targets were achieved, impediments to mining in the pit reported in the previous quarter were resolved, and pit development re-aligned with the mine plan seeing the Stage 2 pit floor established onto one level.

This has resulted in mill feed requirements being substantially exceeded, with approximately one month of ore in excess of mill requirements available on the ROM. These ROM stocks create a production buffer, mitigating short term risks to production whilst facilitating flexibility in mine planning.

Mine Reserves

The Antas mineral resource update is making good progress. Reporting of Reserves within the existing pit design, subsequent optimisation and any pit re-design is targeted to be completed during the second quarter 2018.

Figure 3: Antas Production Results

		Units	Q1 2018	Q4 2017	Variance	YTD 2018
Mining	Total Material Mined	t	1,723,642	1,647,058	4.6%	1,723,642
	Ore Mined	t	195,249	146,791	33.0%	195,249
	Copper Grade	%	1.92	1.98	-3.0%	1.92
	Gold Grade	g/t	0.55	0.56	-1.8%	0.55
Processing	Tonnes Processed	t	174,023	174,878	-0.5%	174,023
	Copper Grade	%	1.80	1.95	-7.9%	1.80
	Gold Grade	g/t	0.53	0.54	-1.9%	0.53
	Copper Recovery	%	96	97	-1.0%	96
	Gold Recovery	%	81	81	-	81
Production	Concentrate	DMT	11,084	12,040	-7.9%	11,084
	Contained Copper	t	3,016	3,309	-8.9%	3,016
	Contained Gold	oz	2,390	2,479	-3.6%	2,390
	Concentrate Copper Grade	%	27.21	27.48	-1.0%	27.21
	Concentrate Gold Grade	g/t	6.71	6.40	4.8%	6.71

Figure 4: Antas Stage 2 Pit



PROCESSING

Plant performance achieved forecasts on most metrics during the quarter. Copper feed grade achieved target, while tonnes milled, plant recovery and copper metal production exceeded targets.

The Company migrated to a “free market” electricity provider with anticipated savings of up to 25% on supply. Electrical energy accounts for approximately 26% of the processing cost. This helped offset the deemed necessary plant shutdown in late December 2017 that allowed the open pit to catch up and consolidate its mining activities. Additionally, A frequency and voltage disturbance associated with external electrical supply caused a 48-hour plant shut down resulting in minor repairs to some equipment.

Work advanced on the tailings dam wall lift with completion targeted for the end of April 2018.

PRODUCTION

Copper and gold production in the first quarter was lower than the previous quarter due to impediments to mining in the pit which have now been resolved. This resulted in quarterly production decreasing ~8.9% in copper metal and ~3.6% in gold.

OPERATING COSTS

Figure 5: Production Costs

	Units	Q1 2018	Q4 2017	Variance	YTD 2018
Payable Copper Production	'000lbs	6,404	7,043	-9.1%	6,404
Payable Copper Sold	'000lbs	6,202	7,597	-18.3%	6,202
Production Costs	Mining Cost	\$/lb 1.23	1.13	8.8%	1.23
		R\$/lb 3.99	3.67	8.7%	3.99
	Processing Cost	\$/lb 0.38	0.51	-25.5%	0.38
		R\$/lb 1.23	1.66	-25.9%	1.23
	Administration Cost	\$/lb 0.17	0.17	-	0.17
		R\$/lb 0.55	0.55	-	0.55
	Subtotal	\$/lb 1.78	1.81	-1.7%	1.78
		R\$/lb 5.77	5.88	-1.9%	5.77
Selling Costs	Freight and Expediting	\$/lb 0.23	0.28	-17.9%	0.23
	Gold Credits	\$/lb (0.39)	(0.43)	-9.3%	(0.39)
	Smelter Charges	\$/lb 0.15	0.19	-21.1%	0.15
	Subtotal	\$/lb (0.01)	0.04	-125%	(0.01)
Cash Operating Costs	\$/lb	1.77	1.85	-4.3%	1.77
Movement Stockpiles	\$/lb	(0.07)	0.20	-135%	(0.07)
C1 Cash Costs*	\$/lb	1.70	2.05	-17.1%	1.70
All in Sustaining Cash Costs**	\$/lb	2.37	2.24	5.8%	2.37
Average USD/BRL	USD:BRL	3.24	3.25	-0.3%	3.24

*C1 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 development and waste mined during the period.

**AISCC is calculated per payable pound of copper sold, net of finalisation sales and adjusted for concentrate inventory movements during the period.

The Production costs benefit from the “free market” electricity contract was partly offset by mining costs associated with lower payable copper production due to lower mined grades and development of the western area of the pit. Additionally there was increased diesel consumption attributed to the greater haulage distance.

Avanco will provide more specific unit cash cost guidance once the Resource/Reserve model and re-optimised mining schedule is available. All-in sustaining unit cash costs for the quarter were higher due to lower payable copper sold, lower gold credits and expenditure attributable to tailings dam construction works.

To offset Brazilian Real (“BRL”) fluctuation Avanco elected to establish a collar structure whereby the BRL cannot be stronger than R\$3.20 to US\$1.00 or weaker than R\$3.52 to US\$1.00 for May and June 2018.

Figure 6: Brazilian Real: US Dollar, March 2017 – March 2018



Source: Bloomberg

SALES

Figure 7: Concentrate Sales

	Units	Q1 2018	Q4 2017	Variance	YTD 2018
Copper in Concentrate Sold (net of finalisations)*	t	2,813	3,339	-15.8%	2,813
Gold in Concentrate Sold (net of finalisations)**	oz	1,886	2,254	-16.3%	1,886
Provisional Sales (excluding costs)	\$'000	22,666	26,165	-13.4%	22,666
Finalised Sales (excluding cost)***	\$'000	(1,188)	747	(259.0%)	(1,188)

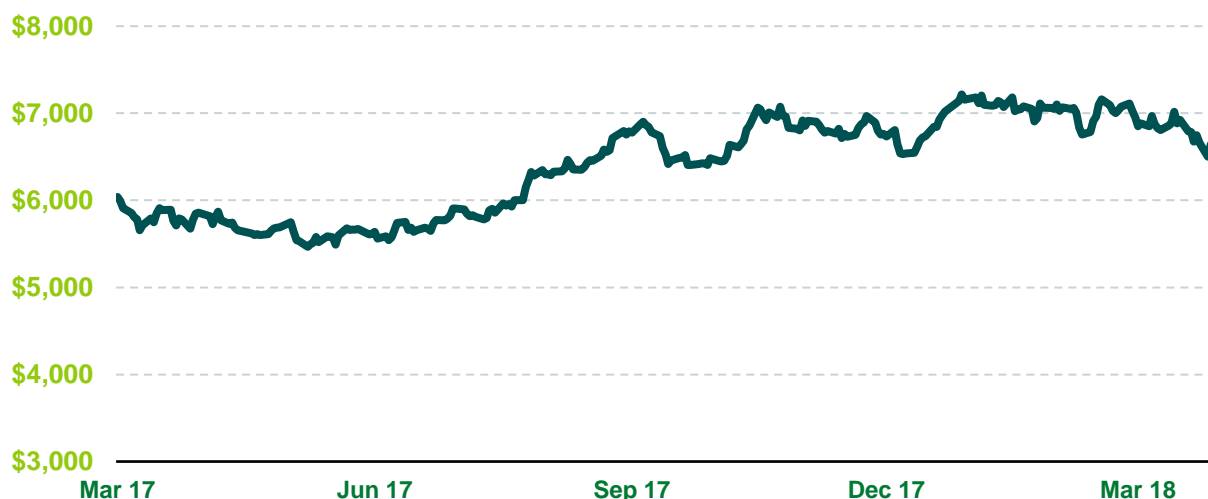
* Including 37t of finalised copper sales adjustments during Q1 2018 (Q4 2017: 54t). See reconciliation below on Figure 9.

** Including 219oz of finalised gold sales adjustments during the Q1 2018 (Q4 2017: 276oz). See reconciliation below on Figure 9.

*** Including \$898,000 loss on finalised copper sales and \$290,000 loss on finalised gold sales. See reconciliation below on Figure 9.

As at 31 March 2018, 2,500 copper tonnes had been sold forward at an average price of \$6,504/t (\$2.95/lb). The Company retains the ability to reallocate tonnes to months with more favourable pricing.

Figure 8: Copper price (US Dollar per tonne), March 2017 – March 2018



Source: Bloomberg

Concentrate assays for nine shipments were finalised during the quarter. Reconciliation of copper and gold differences, which included assay, weight and pricing adjustments resulted in a net cash outflow of \$1,188,000 as detailed below (reduced metal volumes \$519,000 and lower realised prices of \$669,000).

Figure 9: Finalised Concentrate Sales

SALES		Units	Provisional	Final	Variance
Copper	Copper in Concentrate Sold	t	2,372	2,335	(37)
	Copper Sales (excluding costs)	\$'000	15,758	14,860	(898)
	Copper Price	\$/t	6,643	6,364	-4.2%
Gold	Gold in Concentrate Sold	oz	1,845	1,626	(219)
	Gold Sales (excluding costs)	\$'000	2,396	2,106	(290)
	Gold Price	\$/oz	1,299	1,295	-0.3%
Copper and Gold sales (excluding costs) net effect		\$'000	18,154	16,966	(1,188)

EXPLORATION

At the Azevedo Prospect downhole EM surveying was completed, defining a strong conductor down plunge from the promising results and defined in the previous quarter (See, ASX Announcement “Positive exploration results at Azevedo Prospect”, 14 December 2017, for details). The next phase of drilling at the Azevedo Prospect has since commenced.

In total, the Company has committed to 19 kilometres of diamond drilling at an expected all-in cost of ~US\$3.5 million (inclusive of assaying). This will be funded from the strong cashflows from Antas with the key objectives of the drilling programmes being:

- Increase the Life of Mine at Antas, drilling within the open-pit ¹ and nearby at Azevedo¹;
- Define Reserves to support the Pedra Branca Definitive Feasibility Study;
- Infill drill the historical 200 metre sections at Pantera, and test the strike extension to the East where artisanal miners are mining massive copper sulphides; and
- Further expand Resources, and upgrade the JORC classification of MRE's at CentroGold, to support the future conversion of Resources to Reserves.

Pedra Branca (100%)

Pedra Branca is 100% owned by Avanco and is divided between the East and West Zone. The East Zone is likely to be the first production source, targeting 24,000 tonnes of copper and 16,000 ounces of gold annually. It is envisaged that this will be complemented with additional production from Pedra Branca West.

During the quarter results were received from drilling at Pedra Branca East (PBE)¹ and Pedra Branca West (PBW)¹, containing high-grade copper-gold intersections over substantial widths, as well as demonstrating extensions of mineralisation at depth and along strike.

Assay Results included:

APBD17-64	19.60 m @ 2.25% Cu, 0.60 g/t Au from 454.70 m² Incl. 4.60 m @ 7.43% Cu, 1.53 g/t Au from 469.00 m²
APBD17-68	17.50 m @ 1.48% Cu, 0.40 g/t Au from 624.50 m² Incl. 6.50 m @ 1.98% Cu, 0.45 g/t Au from 628.00 m²
APBD17-72	19.00 m @ 2.14% Cu, 0.05 g/t Au from 312.00 m² Incl. 2.55 m @ 6.62 % Cu, 0.66 g/ Au from 316.30 m²
APBD17-73	3.80 m @ 2.56% Cu, 0.78 g/t Au from 248.90 m²

At PBE, high-grade copper-gold zones intersected at depth and along strike are interpreted to continue down plunge. At PBW drilling targeted on a geological re-interpretation of the deposit was successful, intersecting high-grade copper gold mineralisation that remains open at depth and along strike². See, ASX Announcement "Drilling Success Continues at Pedra Branca", 4 April 2018.

Management are confident that, subject to further drilling and evaluation,

PBW has the potential to significantly expand production beyond the current PBE Feasibility Study rate of the 24,000 t/pa³.

Upgraded Mineral Resource Estimates (MRE) for both PBE and PBW are expected during the second quarter 2018.

Infill drilling continues at PBE to support the Definitive Feasibility Study and the Resource to Reserve conversion.

CentroGold Project (100%)

The CentroGold Project is considered to be one of the largest undeveloped gold projects in Brazil. CentroGold fits well into Avanco's business model of developing low-risk/low-capex mines that capitalise on the Company's Brazilian and Aussie "know how". Avanco is focused on developing this high-grade, low-risk operation. Avanco acquired a 100% interest in CentroGold in September 2017.

SCOPING STUDY

The recently released CentroGold¹ Scoping Study results demonstrate the viability of a traditional open pit gold mining operation⁶(see ASX Announcement "CentroGold Scoping Study", 9 April 2018, for Competent Person's Consent, material assumptions, and technical parameters underpinning the Study).

Key approximate results from the base case development, pre-tax financial modelling, to an overall +/- 35% level of accuracy were:

- 2.5 Mt/pa production for 129,900 Oz/pa gold (85,435 Oz to 175,365 Oz) per annum ⁴
- 170,300 Oz/pa for first 3 years
- Approximate \$445.5 million Life of Mine (LOM) net cash flow (\$330 to \$601 million) ⁵
- Pre-production capital expenditure of approximately \$108 million⁵
- Approximate pre-tax NPV \$231.6 million (\$172 to \$313 million) ^{6,7}
- Approximate pre-tax IRR 73% (47% to 99%) ^{6,8}
- Capital payback <24 months
- Approximate AISC cost first 3 years \$587/Oz gold ⁵
- Approximate AISC cost LOM \$862/Oz gold ⁵
- Initial LOM 11 years

The key operating assumptions and financial outcomes are set out in Section 5 of the Scoping Study. All costs are in USD unless otherwise stated.

Development period	24 months
Mine life (years)	11 years
LOM mill throughput (mt)	27.2 mt
Average LOM gold production (Oz/pa post ramp-up)	129,900 Oz
Average gold production in the first 3 years (Oz/pa post ramp-up)	170,300 Oz
Indicated Resources used in study	83%
Inferred Resources used in study	17%
Annual throughput (mt/pa)	2.5 mt/pa
Average LOM plant feed grade (g/t gold)	1.9 g/t
Average LOM plant gold feed grade – first 3 years (g/t gold)	2.5 g/t
Plant recovery – LOM average	85%
Gold price – LOM average (\$/Oz)	\$1,250
Gold royalties – LOM average	5.6%
Transport and insurance costs (\$/Oz)	\$20/Oz
Refining charge – gold (\$/Oz)	\$5/Oz
Exchange rate – LOM average (USD:BRL)	3.50
Mining dilution assumption	5%
Mining recovery assumption	95%
Mining Cost (Ore + Waste) – LOM average (\$/t) (excluding contingency)	\$3.72/t
Processing cost – LOM average (\$/t)	\$11/t
General and administration – LOM average (\$/t)	\$3/t
Pre-production CAPEX estimate (\$m)	\$108 million
AISC – First 3 years average (\$/Oz)	\$587/Oz
AISC – LOM average (\$/Oz)	\$862/Oz

BLANKET

Following infill drilling at Blanket during the previous quarter, an updated MRE was released during the quarter for the Blanket deposit containing approximately 20% more gold ounces. The new MRE was incorporated in the CentroGold Scoping Study.

This work has resulted in a 10% increase in gold grade and a 9% increase in tonnes, for an approximate 20% increase in contained ounces of gold. Tonnes increased by 9% following the inclusion of only four additional drill holes highlighting the ease of expanding the orebody (see ASX Announcement “CentroGold Project Approaches 2 Million Ounces”, 7 February 2018, for Competent Person’s Consent, material assumptions, and technical parameters underpinning the MRE).

CONTACT

During the quarter, infill drilling (34 holes for 4,840 metres of diamond drilling), was completed at the Contact deposit (see ASX Announcement “Contact Deposit Reveals New High-Grade Zones at CentroGold”, 12 March 2018). Assays returned high-grade gold intersections over substantial widths. This validated historical results and defined new high-grade zones within the orebody on sections where there was no previous drilling. Results included:

ACCTD-17-005	39.68m @ 1.95 g/t gold from 71.00m
ACCTD-17-006	15.00 m @ 4.66 g/t gold from 164.10m²
ACCTD-17-016	51.00m @ 4.29 g/t gold from 22.00m² Inc. 10.30 m @ 16.41 g/t gold from 53.70m²
ACCTD-17-022	10.00m @ 26.33 g/t gold from 130.00m² Inc. 2.75m @ 85.34 g/t gold from 133.30m²
ACCTD-17-024	25.00m @ 5.17 g/t gold from 57.00m² Inc. 11.00m @ 10.18 g/t gold from 57.00m²

Following the completion of drilling, the Contact MRE was updated. The substantially improved MRE results have been used in the preparation of the CentroGold Scoping Study.

Infill drilling has resulted in a 34% increase in gold grade and a 2% increase in tonnes, for a 37% increase in contained ounces of gold. Within the Contact MRE, Indicated Resources increased by 203% to 509,000 Oz at an average grade of 3.6 g/t gold (see ASX Announcement “CentroGold – Updated Contact Deposit Resource Grade Now Exceeds 3g/t Gold”, 21 March 2018, for Competent Person’s Consent, material assumptions, and technical parameters underpinning the MRE).

LICENSING

The mineral rights for the CentroGold deposits are in good standing and there are access agreements in place for drilling and exploration.

CentroGold was previously granted environmental and construction licenses. These approvals were subsequently suspended by a court injunction due to administrative oversights in the licencing process. Avanco is working alongside the regulatory authorities and with the local community, seeking the earliest possible resolution.

Community relations around the CentroGold district are excellent, with strong support for the implementation of CentroGold and the prosperity that it will bring to the region.

Pantera (option for 100%)

During the quarter the Company announced the acquisition of the Pantera¹ Copper Project. Drilling soon followed resulting in a maiden MRE (see ASX Announcement “Maiden Pantera MRE pushes Avanco’s Carajás Resource Base Beyond 1 Mt of Contained Copper”, 19 March 2018, for Competent Person’s Consent, material assumptions, and technical parameters underpinning the MRE).

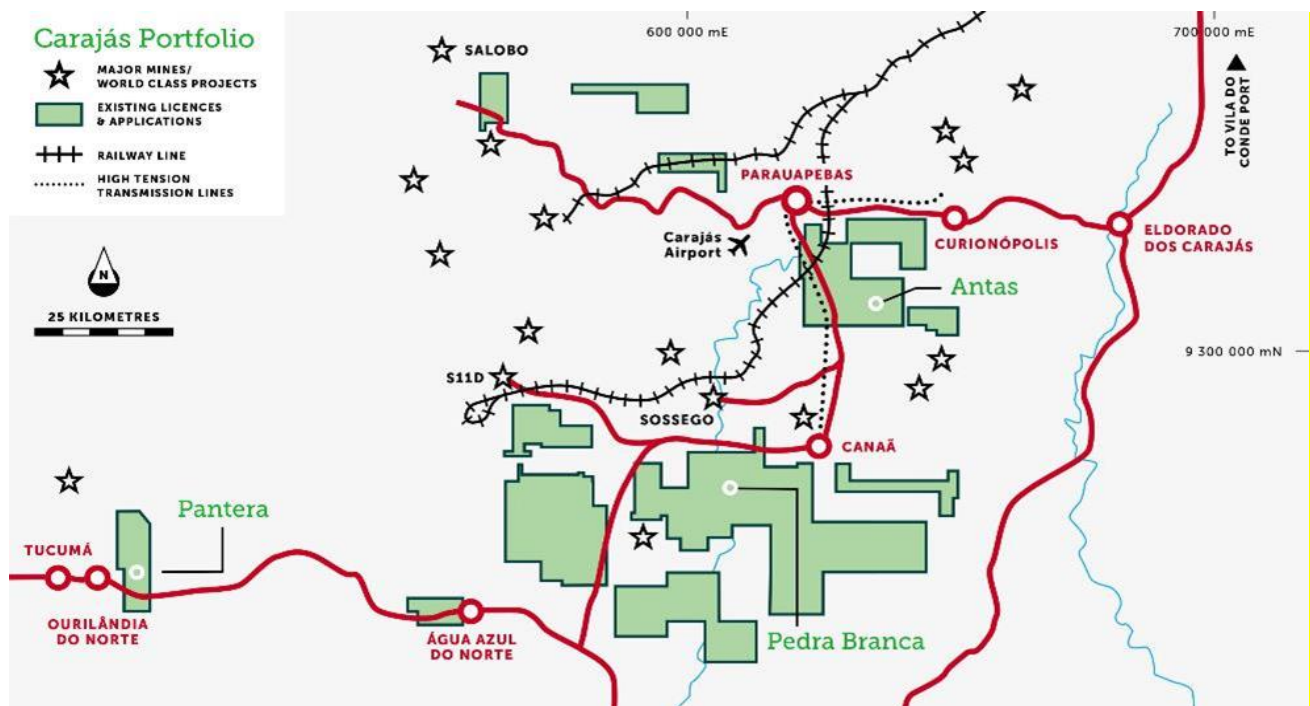
The maiden Inferred Resource for Pantera was:

20.8 million tonnes at 1.7% copper and 0.2 g/t gold, for 350,000 tonnes of copper and 140,000 ounces of gold

Drilling is underway on a 5,000 metre drill programme. This will focus on infilling historical 200 metre spaced sections. Mineralisation defined by previous drilling remains open at depth on every section, and along strike. New drilling will test the eastern strike extension.

The underexplored eastern strike extension is believed to be very prospective, there, massive sulphides (not seen in historical drilling) are being extracted from small artisanal workings.

Figure 10: Avanco’s Carajás Portfolio, Pantera located in south-west corner



Corporate

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

As at the 31 March 2018, the cash position increased to \$26.3 million from \$24.4 million at the end of the previous quarter.

Figure 15: Quarterly Cash Position Reconciliation

	\$'000
Cash Position - 31 December 2017	24,362
Sales receipts net of treatment and refining costs	25,363
Operating costs including royalties, admin, corporate and taxes	(19,640)
Free cashflow from operations	5,723
Interest earned and foreign exchange movements in cash held	(14)
Sustaining capital expenditure	(1,015)
Payment to acquire Pantera option	(500)
Development, exploration and evaluation expenditure	(3,794)
Proceeds from short-term borrowings	1,500
TOTAL CASH INCREASE	1,900
CASH POSITION – 31 March 2018	26,262

During the quarter the Company awarded its second offtake agreement on the Antas production to the most competitive bidder. The contract is for a period of three years to 31 December 2020. Avanco has now two offtake agreements, one of which is expiring on 31 December 2018.

Avanco continued to enhance its relationship with the Brazilian banks aiming to establish a credit history in local financial and credit markets. This is particularly important and will help facilitate future financing for the Company. Agreed during the quarter was a short-term facility for 180 days, known as an Export Prepayment Loan, ("ACC" – Advance on Exchange Agreement). The total amount of this US Dollar denominated loan is \$1.5 million, repayable in July 2018 and can only be repaid with export proceeds.

On 11 April the Company lodged its Target's Statement with the Australian Securities and Investments Commission (ASIC) and the Australian Securities Exchange (ASX) in response to the off-market takeover offer (the **Offer**) from OZ Minerals Limited, through its wholly owned subsidiary OZ Minerals Brazil (Holdings) Pty Ltd, to acquire all the ordinary shares in Avanco.

The Board of Avanco have unanimously recommended that all Avanco shareholders Accept the Offer, subject to no superior proposal being received, and they intend to Accept the Offer in relation to the Avanco shares that they respectively hold or control. In considering the Board of Avanco's recommendation, Avanco shareholders should review the comprehensive information provided in the Bidder's Statement and the Target's Statement (as supplemented by the First Supplementary Target's Statement lodged on 24 April 2018). The offer period ends on 14 May 2018, unless extended.

The Company previously announced that the Board is currently reviewing all the development and growth opportunities and would release a strategic plan during the first quarter 2018. Given the Offer announced on 27 March 2018, the Company has delayed the release of the strategic plan pending the outcome of the takeover offer.

On 27 April the Company announced that the Australian Securities and Investments Commission (ASIC) has granted an extension of time to hold the Annual General Meeting. Under Section 250P of the Corporations Act 2001 ASIC has extended the period within which the Company must hold its AGM from 31 May 2018 to 31 July 2018.

TONY POLGLASE

MANAGING DIRECTOR

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

Scott Funston
Company Secretary
Telephone: +61 8 9324 1865
Email info@avancoresources.com

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.

CARAJAS COPPER – Mineral Resources ^{9,10,11,12,13,14}

DEPOSIT	Category	Million Tonnes	Cu (%)	Au (ppm)	Copper Metal (T)	Gold Metal (Oz)
Pantera ¹⁵	Inferred	20.80	1.7	0.2	350,000	140,000
Total Pantera		20.80	1.7	0.2	350,000	140,000
PB East ¹⁶	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 ¹⁶	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
Total Pedra Branca		17.67	2.44	0.65	427,000	357,000
Antas North ¹⁷	Measured	2.84	2.2	0.5	62,200	48,400
	Indicated	2.93	1.5	0.3	44,000	31,500
	Inferred	3.99	1.1	0.2	43,200	24,200
	Total	9.76	1.5	0.3	149,400	104,100
Antas South ¹⁸	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 Antas		19.84	1.1	0.2	234,400	169,100
TOTAL		58.31	1.7	0.3	1,011,400	666,100

ANTAS COPPER MINE – Ore Reserves ^{19,20}

LOCATION	JORC Category	Economic Cut-Off Cu%	Million Tonnes	Copper (%)	Gold (g/t)	Copper Metal (T)	Gold Metal (Oz)
Antas Mine	Proved	0.5	0.90	3.58	0.73	32,300	21,200
	Probable	0.5	1.83	1.83	0.43	33,600	25,600
Mine Stockpiles	Proved	0.5	0.04	0.93	0.28	400	400
TOTAL PROVEN + PROBABLE			2.78	2.38	0.53	66,300	47,200

CENTROGOLD – Mineral Resources ^{21,22,23}

DEPOSIT	Category	Million Tonnes	Au (g/t)	Gold Metal (Oz)
Contact Zone ²⁴	Indicated	4.4	3.6	509,000
	Inferred	3.8	2.5	301,000
	Total	8.2	3.1	811,000
Blanket Zone ²⁴	Indicated	11.4	1.9	711,000
	Inferred	1.9	2.0	118,000
	Total	13.3	1.9	829,000
Chega Tudo ²⁴	Indicated	8.2	1.6	432,000
	Inferred	3.1	1.5	145,000
	Total	11.3	1.6	577,000
COMBINED TOTAL		32.8	2.1	2,217,000

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 Antas copper mine, Pedra Branca (PB) deposit, their surrounding targets including Azevedo, and Pantera are all defined as Iron Oxide Copper Gold (IOCG) style deposits/targets, typical of that found in the Carajás Province of Brazil, and well documented in respected geological texts. Gold mineralisation within the CentroGold project is considered to be typical of mesothermal vein-style, or orogenic-style gold mineralisation
2. Grades are uncut. Depths and widths are downhole
3. Refer ASX Announcement "Positive Pre-Feasibility Study for Pedra Branca", 26 May 2017, for details on the PBE Pre-Feasibility Study (PFS)
4. The production targets referred to, are based on Mineral Resources which are classified 83% Indicated, and 17% Inferred. There is a low level of geological confidence associated with Inferred Resources, and there is no certainty that further exploration work will result in the determination of Indicated Resources, or that the production target itself will be realised
5. These values are subject to the variance normally associated with Scoping Studies
6. Based on Scoping Study findings for the development of the full CentroGold operation (Contact, Blanket and Chega Tudo), with standalone plant
7. Net Present Value (NPV) – Based on a discount rate of 10% and discounted to the commencement of construction.
8. Internal Rate of Return (IRR)
9. Refer ASX Announcement "Maiden Pantera MRE pushes Avanco's Carajás Resource Base Beyond 1 Mt of Contained Copper", 19 March 2018, for Competent Person's Consent, material assumptions, and technical parameters underpinning the Pantera MRE
10. 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 MRE
11. 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 MRE
12. 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 MRE
13. 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 MRE
14. The Antas South JORC MRE 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
15. Grade Tonnage Reported above a Cut-off Grade of 0.6% Copper for Sulphide Resources
16. Grade Tonnage Reported above a Cut-off Grade of 0.9% Copper for Sulphide Resources
17. Grade Tonnage Reported above a Cut-off Grade of 0.4% Copper for Sulphide Resources
18. Grade Tonnage Reported above a Cut-off Grade of 0.3% Copper for Oxide Resources
19. 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
20. Measured and Indicated Resources are inclusive of those Mineral Resources modified to produce the Ore Reserves
21. See ASX Announcement "CentroGold Approaches 2 Million Ounces", 7 February 2018, for Competent Person's Consent, material assumptions, and technical parameters underpinning the Contact MRE
22. See ASX Announcement "CentroGold – Updated Contact Deposit Resource Grade Now Exceeds 3 g/t Gold", 21 March 2018, for Competent Person's Consent, material assumptions, and technical parameters underpinning the Blanket MRE
23. See ASX Announcement "CentroGold Resources Increase 45% and Exceeds 1.8 Million Ounces", 13 November 2017, for Competent Person's Consent, material assumptions, and technical parameters underpinning the Chega Tudo MRE
24. Grade Tonnage Reported above a Cut-off Grade of 1.0 g/t Gold

INTERESTS IN MINING TENEMENTS HELD

Project	Property Name	Tenure Title Holder	Interest %	AREA (ha)	Licence Number	Status of Tenure
STAGE 1	Rio Verde	AVB	100	7,290.6	PL 470	Mining Concession
	Rio Verde	AVB	100	7,290.6	853.714/1993	Mining Concession
	Rio Verde	AVB	100	2,009	850.113/2017	Granted to 2020
	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	6,552	850.552/2016	Granted to 2019
	Agua Boa	ARM	100	8,907	850.823/2005	Granted to 2020
	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	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	VDM	100	8,975	850.511/2016	Granted to 2020
	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	#
Pantera	Pantera	ARM**	100	9,671	850.777/1990	Granted to 2018
Canaã West	Canaã West	VDM**	100****	5,024	850145/1995	Granted to 2018
	Canaã West	VDM**	100****	10,000	850994/2011	Granted to 2020
	Canaã West	VDM**	100****	5,753	854951/1995	#
Carajás Regional	Carajás Regional	ARM	100	9,724	850.288/2014	Granted to 2018
Trindade Iron Project	Trindade North	AVB	100	289.62	850.283/1999	Final Report Approved
	Trindade North	AVB	100	4,678.5	301.107/2016	#
Touro Nickel Project	Trindade South	AVB	#	9,797	850.781/2013	#
	Trindade South	AVB	100	9,797	850.569/2011	Granted to 2018
CentroGold	CentroGold	MCT	100	10,000	800.088/1985	Granted to 2018
	CentroGold	MCT	100	6,389	800.089/1985	Granted to 2018
	CentroGold	MCT	100	7,088	800.091/1985	Granted to 2018
	CentroGold	MCT	100	3,874	806.064/2006	Granted to 2018
	CentroGold	MCT	100	6,958	806.083/2006	Granted to 2018
	CentroGold	MCT	100	3,835	806.108/2003	Granted to 2018

Project	Property Name	Tenure Title Holder	Interest %	AREA (ha)	Licence Number	Status of Tenure
CentroGold	CentroGold	MCT	100	4,901	806.109/2008	Granted to 2018
	CentroGold	MCT	100	9,872	806.166/2007	Granted to 2018
	CentroGold	MCT	100	9,876	806.253/2009	Granted to 2018
	CentroGold	MCT	100	4,635	806.702/2010	Granted to 2018
	CentroGold	MCT	100	9,950	806.706/2010	Granted to 2018
	CentroGold	MCT	100	508	850.649/2010	Granted to 2018
	CentroGold	MCT	100	2,420	850.651/2010	Granted to 2018
	CentroGold	MCT	100	353	850.652/2010	Granted to 2018
	CentroGold	MCT	100	650	850.864/2011	Granted to 2018
	CentroGold	MCT	100	176	806.254/2009	Granted to 2018
	CentroGold	MCT	100	8,840	806.205/2008	Granted to 2019
	CentroGold	MCT	100	745	850.650/2010	Granted to 2019
	CentroGold	MCT**	100	3,373	806.241/2014	Granted to 2019
	CentroGold	MCT	100	3,491	850.061/2016	Granted to 2020
	CentroGold	MCT**	100	2,624	806.308/2008	#
	CentroGold	MCT**	100	2,806	806.309/2008	#
	CentroGold	MCT	100	3,997	800.090/1985	#
	CentroGold	MCT	100	2,584	800.180/1990	#
	CentroGold	MCT	100	462	806.023/1999	#
	CentroGold	MCT	100	5,291	806.071/2001	#
	CentroGold	MCT	100	4,314	806.091/2006	#
	CentroGold	MCT	100	972	806.109/2003	#
	CentroGold	MCT	100	2,235	806.147/2003	#
	CentroGold	MCT	100	18	806.204/2004	#
	CentroGold	MCT	100	326	850.021/2012	#
	CentroGold	MCT**	100	10,000	806.057/2003	#
	CentroGold	MCT**	100	1,675	806.704/2010	#

AVB = AVB Mineração. ARM = Avanco Resources Mineração. VDM = Vale Dourado Mineração.

EST = Estela do Brazil Mineração. MCT = MCT Mineração

** 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

^ 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 (\$'000)
Antas	82
Pedra Branca	1,239
CentroGold	2,266
Pantera (including option payment)	707
Total	4,294



About Avanco

Avanco is a progressive Australian ASX-quoted copper mining company in the world class mineral province of The Carajás in Brazil. Antas, the Company's first mine is in its second year of commercial production and demonstrates the Company's ability to create value at every stage, from exploration discovery through to commercial production. Avanco has plans to build on the success of Antas with a project pipeline that includes the Pedra Branca and Pantera copper projects in addition to the CentroGold, the largest undeveloped gold project in Brazil.



THE AUSTRALIAN COPPER COMPANY IN BRAZIL



◦

Advance with us

avancoresources.com

CONTACT

Scott Funston

CFO and Company Secretary
sfunston@avancoresources.com
+61 (08) 9324 1865

DIRECTORS

Vern Tidy
Luiz Ferraz
Paul Chapman
Tony Polglase
Simon Mottram
Luis Azevedo

MANAGEMENT

Scott Funston
Wayne Phillips
Otávio Monteiro
Jailson Araujo
Manoel Cerqueira

Suite 3, 257 York Street, Subiaco WA 6008 Australia
PO Box 1726, West Perth WA 6872 Australia
AVANCORESOURCES.COM

T +61 8 9324 1865
F. +61 8 9200 1850
info@avancoresources.com