

# MINING LICENSE GRANTED FOR (STAGE 1) ANTAS NORTH

The Company is very pleased to announce that the Brazilian Government has issued a Mining Licence authorising exploitation of Avanco's wholly owned Antas Copper Project.

Accordingly, the Company is now one very significant step closer to commencement of mining in the World Class Carajas.

## HIGHLIGHTS

**Grant of a full Mining Licence (ML) by the Ministry of Mines and Energy for the high grade, Antas Copper Deposit, is arguably the most important development milestone achieved to date**

**This approval illustrates strong support from both the State and Federal authorities for the implementation of Avanco's development plans**

**The ML provides a clear pathway towards breaking ground on construction and allows the Company to move much more aggressively in that direction**

**Terms of the ML approve establishment of the open pit/mine infrastructures and extends to other known copper prospects for ~7,200 hectares<sup>1</sup>**

**The ML is valid in perpetuity until Reserves are exhausted, including those from new discoveries hosted within its boundaries<sup>1</sup>**

**Environmental approvals have already been issued**

**Mine planning for the Antas Mine envisages extraction of circa 12,000t of copper (and associated gold) in concentrates<sup>2</sup> per annum**

**Avanco is fully funded into production<sup>3</sup> inclusive of the recently executed BlackRock Royalty Agreement for which the ML fulfils a Condition Precedent<sup>4</sup>**

**The ML provides confidence that regulatory success can be repeated and is the long awaited catalyst triggering a resumption of drilling at the Stage 2 (Pedra Branca) and surrounding regional targets**

**With increasing confidence and cognisant of meeting schedule, Avanco representatives are on route to assist loading and dispatch of the Ball Mill. Cargo readiness and shipping ex Huston Port USA is targeted for late September**

**In the coming days management anticipate being in a position to provide another important Stage 1 update**

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ASX Symbol: AVB



Avanco's VPA 1540-20 Filter Press  
being manufactured in Europe

1. The Mining License award relates to PL:470/2014
2. Terms of the License allow the mine to produce 12,000tpa of copper in concentrates with associated gold credits over the LOM
3. Refer to Stage 1 US\$70m Project Finance Update, page 6 from ASX Announcement “June 2014 Quarterly Activity Report”, 31 July 2014
4. 8 October 2013 and “March 2014 Quarterly Activities Report”, 30 April 2014

## ABOUT AVANCO

- Avanco (ASX-AVB) is an emerging mid-tier copper company focussed in the world class Carajas Mineral Province, Brazil. The Company owns the rights to 100% of the second largest area of mineral tenure in the region (behind Vale SA)
- The Company is well positioned to ultimately operate a number of high grade, low cost copper/gold mines in the region which will establish Avanco as a profitable and long life copper company
- The Antas Copper Mine (Stage 1) is Avanco’s first mine development and was granted a full Mining License in September 2014. US\$70m of project funding is aligned for the start of construction in 2014 and with first production targeted for 2015. Timely implementation of Stage 1 is being pursued to help finance the Company’s second copper project
- Pedra Branca, also known as Stage 2 is located in the same district as Stage 1. Stage 2 is the Company’s next project and is considerably larger. Infill drilling, aimed at improving classification will facilitate “a decision to mine” in 2015
- The Company has ~1.661m shares on issue and is well supported by: Glencore ~12.2%, Blackrock World Mining Trust ~11.5%, and the Appian Natural Resources Fund ~11.5 %
- Avanco is managed by highly experienced international and Brazilian mining professionals
- Whilst near term priorities are focussed on transition to copper producer status the board envisages organic growth of Copper in the Carajas providing the opportunities to enhance shareholder value
- The Company has substantial cash reserves to support its activities



Simplex Vibrating Feeder being fabricated in Brazil



Mainframe of Avanco’s secondary crusher being assembled in Brazil