

## ANTAS CRUSHING UPGRADE UNDERWAY

Avanco Resources Limited (“the Company”) is pleased to advise that good progress is being made on the installation of a new tertiary crusher circuit and auxiliary equipment at the Antas Copper Mine. Assembly and commissioning is expected to be complete before month end, and will serve to both improve operability and increase productivity.

### HIGHLIGHTS

- For CY 2016 to date, production at Antas is exceeding forecast by approximately 10%
- An additional identical cone crusher is currently being installed alleviating the load on the crushing equipment to improve “availability” and reduce maintenance
- Disruptions recorded in the upstream crushing circuit will be mitigated by this upgrade, thus reducing potential feed impediments to the ball mill
- The new crusher is expected to increase crushing circuit capacity from 120 tonnes per hour to 200 tonnes per hour
- Progress to date on the crusher upgrade has been without lost time incident, and is both on-time and on-budget
- This upgrade underscores any future plan to increase copper production



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## ANTAS COPPER MINE – CRUSHING CIRCUIT UPGRADE

The Company is currently well advanced on installation of a second cone crusher, which is identical to the existing cone crusher. This will alleviate the load on the comminution circuit, reduce maintenance needs, and all but eliminate lost time as the new configuration allows the circuit to operate if either crusher is taken off line for service.

When operating in parallel (dual-line) configuration, crushing productivity is expected to increase from 120tph (current) to 200tph. If operated in series (single-line), a finer crushed product size can be generated. A smaller product size requires less grinding energy resulting in increased ball mill throughput.

Thus, this re-configuration of the crushing circuit introduces significant flexibility, greatly improves optionality and removes impediments to increasing ball mill throughput.

Assembly and commissioning is expected to complete before the end of November.



## CORPORATE

Upgrading the crushing circuit underpins the Company’s future plan to increase copper production at the Antas plant, be that from treating Antas ore or from a blend of Antas and Pedra Branca ores.

Installation activities continue without any lost time incidents and is “on time and budget”, demonstrating the Company’s competence and capability to do business in Brazil.

On completion of the crushing circuit upgrade, management will examine the grinding circuit/ball mill constraints. A very comprehensive metallurgical evaluation around the grinding circuit has already been undertaken by a specialist comminution group.

**Tony Polglase**

Managing Director

## ABOUT AVANCO

- Avanco (ASX: AVB) is an emerging mid-tier copper and gold company situated in the mining friendly world class Carajas Mineral Province in northern Brazil
- Avanco either owns, or holds the rights to 100% of the second largest area of mineral tenure in the Carajas region behind Vale SA
- The Company is well positioned to potentially operate a number of high grade, low cost copper-gold mines in the region establishing Avanco as a profitable long life producer
- Management has been successful in financing the development of the Antas Copper Mine via an equity capital raising placing Avanco in a strong position, i.e. fully funded into production whilst remaining debt and covenant free
- The Antas Mine was built on time, under budget with an exceptional commissioning and ramp up performance
- Commercial production was declared in July 2016 for 12,000tpa of copper in concentrate and 7,000ozpa of gold by-product credits.
- Management believe the Antas plant output can possibly be increased to 17,000tpa of copper by 2018 as a result of additional ore supply from Pedra Branca and/or new near mine discoveries
- Avanco has engaged MACA, an Australian mining contractor group for the Antas open pit
- Antas is producing a desirable, clean copper concentrate and the Company has executed a three-year offtake contract
- Development of the nearby Pedra Branca East and Pedra Branca West projects have the potential to increase Avanco's production to ~50,000tpa of copper with gold credits
- Study of an initial, smaller scale operation at Pedra Branca East is at an advanced stage as a pre-cursor to full scale development with construction of access commenced
- The Company is supported by institutional shareholders: Blackrock World Mining Trust, Appian Natural Resources Fund, Greenstone Resources and Glencore
- Avanco is managed by highly experienced international and Brazilian mining professionals, most of whom are Portuguese speaking and reside in Brazil
- Whilst near term priorities are focused on life-of-mine growth, Brazil offers significant opportunities to enhance shareholder value through new discoveries, acquisitions or partnerships with neighbouring majors and other companies to increase exposure to copper and gold assets

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