

13 July 2017

Second Quarter 2017 Preliminary Results

ASX: AVB ('AVANCO' OR 'THE COMPANY') is pleased to report that preliminary operating results for the Second Quarter 2017 show increases in production compared to the previous quarter and improvements in cash costs.

For the first six months of 2017, the company has achieved just over 50% of the upper-end of its annualised copper and gold production, resulting in confidence that it will achieve, and possibly exceed full year production targets.

Second Quarter 2017 Preliminary Results Highlights

- Second quarter production of copper in concentrate of 3,589 tonnes, first half 7,095 tonnes; on an annualised basis, 1% above the top-end of annual guidance range of 13,500 – 14,000 tonnes.
- Second quarter production of gold in concentrate of 2,961 ounces, first half 5,744 ounces; on an annualised basis, 9% above the top-end of the annual guidance range of 9,750 – 10,500 ounces.
- Quarterly sales of 3,170 tonnes of copper and 2,625 ounces of gold in concentrate, generating provisional sales revenue (excluding costs) of \$21.2 million.
- Brazilian real weakened 4.4% during the quarter to R\$3.31 per US\$1.0.
- Average copper price on provisional sales decreased 2% from the previous quarter to \$5,658 per tonne (net of hedging).
- C1 cash costs reduced 4% to \$1.46 per payable pound of copper (Q1 2017 \$1.52/lb Cu).
- Cash at bank at the end of Q2 2017: US\$26.3 million (end of Q1 2017: US\$23.1 million).

Figure 1: Results Summary Table

	Q1 2017	Q2 2017	%	1H 2017
Copper produced (tonnes)	3,506	3,589	+2%	7,095
Gold produced (ounces)	2,783	2,961	+6%	5,744
Provisional sales excluding costs (US\$m)	26.1	21.2	-19%	47.3
C1 Costs (US\$/lb)	1.52	1.46	-4%	1.49
Average Copper Price (US\$/t)	5,784	5,658	-2%	5,728
Average Gold Price (US\$/oz)	1,210	1,257	+4%	1,233
Average BRL:USD	3.14	3.21	+2%	3.18

The Company will report its Second Quarter 2017 Activities Report on Wednesday 26 July 2017 and Interim Results for 2017 on Monday 28 August 2017. A teleconference call will be held for the Interim Results only, with details released approximately two weeks before.

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