ASX Release

20 July 2017

Antas Exploration Update:
New Near Mine Exploration Prospect Identified

ASX: AVB ('AVANCO' OR 'THE COMPANY') is pleased to announce that further to previous announcements concerning positive results from the maiden drill hole AAND-100 testing electro-magnetic conductors 400 metres northeast of Antas, the first of the three follow-up drill holes, AAND-114, has been completed. This drill hole confirms the continuation of significant copper mineralisation. Assays are expected in the coming weeks and further drill holes are underway on this newly named "Azevedo Prospect" near-mine target.

Highlights

- Identification of new "Azevedo Prospect" 400 metres from existing Antas Pit[1].
- The drilling of AAND-114 is complete, the first of three follow-up holes following the positive results reported[2] from AAND-100.
- AAND-114 has confirmed the continuation of copper mineralisation 25 metres along strike to the east of AAND-100
- New hole AAND-114 intersected a variably mineralised zone approximately 44 metres wide, from approximately 59 metres to 103 metres (downhole widths and depths).
- The mineralised zone consists of disseminated chalcopyrite (copper sulphide) and other gangue sulphides, interspersed with numerous zones of higher-grade stringer and breccia style copper mineralisation, that are each up to 5 metres wide.
- Assays are expected in early August, whilst the additional follow-up holes are underway and additional holes are also being planned at the Azevedo Prospect.

Director of Exploration, Simon Mottram commented "*Exploration activities are advancing well at Antas. I have long been confident that the wider Antas licence will continue to prove itself fertile, with the first two drill holes from the new drill program having already identified a new near-mine prospect. In the coming months, I am confident that the work programme on this prospect will continue to deliver positive results, but of greater interest is that work might show the Antas mine to be part of a larger mineralised system.*

In the meantime, resource and reserve definition and expansion drilling in and under the Antas pit is progressing well, as is work pinpointing drill targets in and around Antas. There is much to do, and we look forward to reporting progress over the coming weeks."

ANTAS - NEAR MINE EXPLORATION, NEW "AZEVEDO PROSPECT"

The Avanco EM team identified two proximal conductors approximately 400 metres northeast of the Antas open pit. These were tested with the maiden hole AAND-100, which returned positive results and is subsequently being tested with three further holes, the first being AAND-114 which confirms the continuation of mineralisation along strike.

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The early identification of this new near mine exploration prospect, subsequently named the Azevedo Prospect is encouraging. Its proximity to the existing Antas operation is highly advantageous from an economic perspective, being so close to the existing plant and infrastructure. Hole AAND-114 has successfully confirmed the zone of mineralisation 25 metres along strike from AAND-100 (see Figure 3). The next hole is now in progress.

Like AAND-100, IOCG[3] sulphides comprising of disseminated and stringer chalcopyrite (copper sulphide) and other gangue sulphides, interspersed with numerous zones of higher grade breccia style copper mineralisation, have been intersected over an approximately 44 metre wide zone.

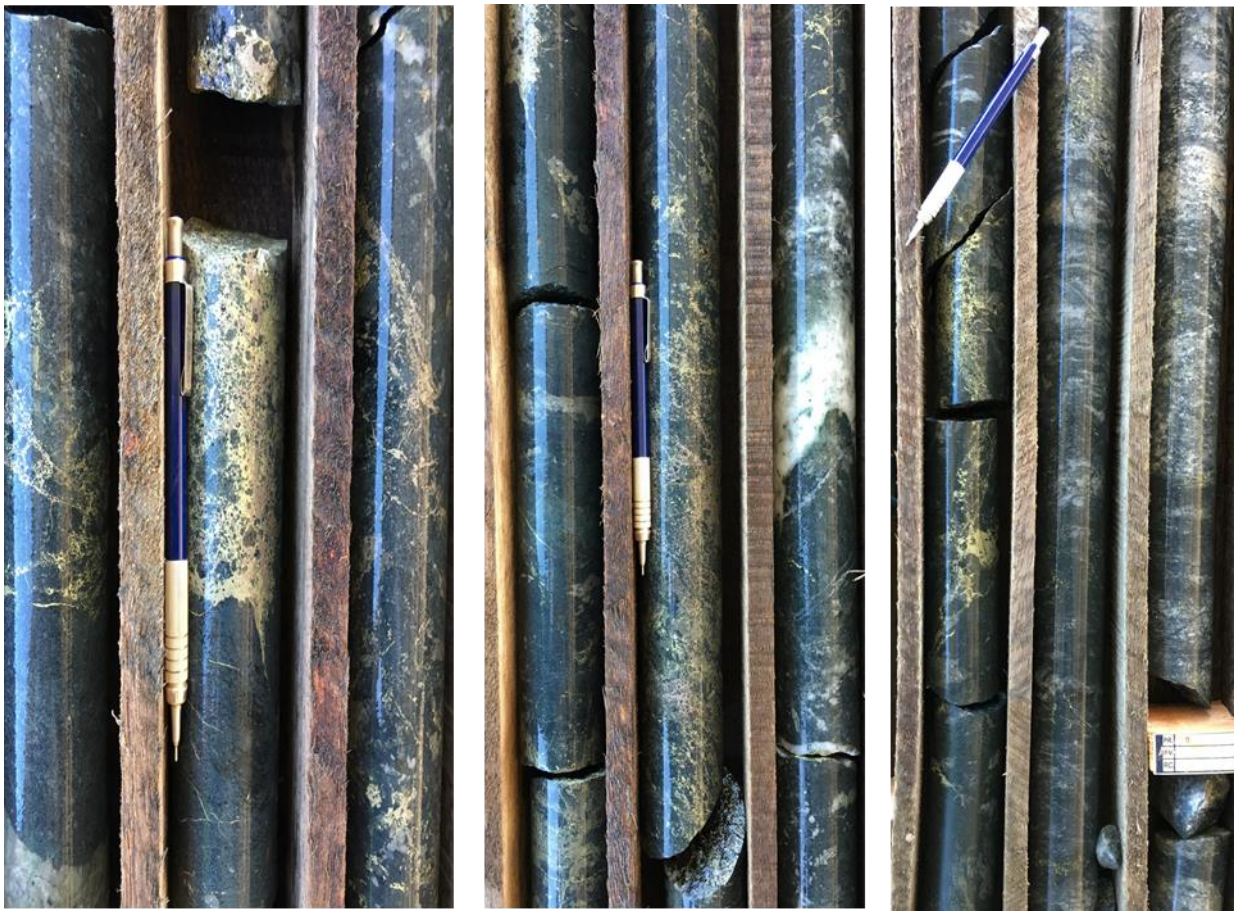
Also, similar to AAND-100, gangue sulphides are more common in the upper half of the mineralised zone (Figure 1), while less common in the lower half of the mineralised zone. where numerous zones containing higher concentrations of chalcopyrite are observed (Figure 2). This again suggests zonation.

Zonation, the proximity to the Antas mine and the Antas south deposit proximal to this, continue to point to the possibility that the Antas mine may be part of a larger mineralised system. To test this, ground EM coverage will be extended to the west of the Azevedo Prospect, which encompasses the region north and northwest of the Antas pit. This region is host to a range of hills (larger than Antas) where untested copper in soil geochemical anomalism and magnetic anomalies exist.

Assays from AAND-114 are anticipated in comings weeks, with the next follow-up hole in progress.

Figure 1: AAND-114 Upper Part of Mineralisation, Chalcopyrite and Gangue Sulphides

Figure 2: AAND-114, Selected Zones with Higher Concentrations of Chalcopyrite Mineralisation, from the Lower Part of the Mineralised Zone



ANTAS NEAR-MINE EM SURVEYS

Ground EM surveying within the granted Antas Mining Lease, as highlighted in previous releases, is currently testing targets to the east and southeast of Antas. Early results have already identified the presence of a number of EM conductors at the first of these prospects. Following ground truthing and 3D modelling, the best conductors will be prioritised for drill testing. See ASX Announcement "Antas and Near Mine Exploration Update: Electromagnetic Equipment Yields Positive Results", 19 June 2017, for more information.

TONY POLGLASE
MANAGING DIRECTOR

[1] The Antas copper mine and this new prospect comprise of Iron Oxide Copper Gold style mineralization, typical of that found in the Carajás Province of Brazil, and well documented in respected geological texts.
[2] See, ASX Announcement "Antas and Near Mine Exploration Update: Electromagnetic Equipment Yields Positive Results", 19 June 2017, and ASX Announcement "Antas and Near-Mine Exploration Update: Positive Assay Results from First Drill Hole", 4 July 2017, for details.
[3] Iron Oxide Copper Gold deposit (IOCG)

Competent Persons Statement

The information in this report that relates to Exploration Results 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.

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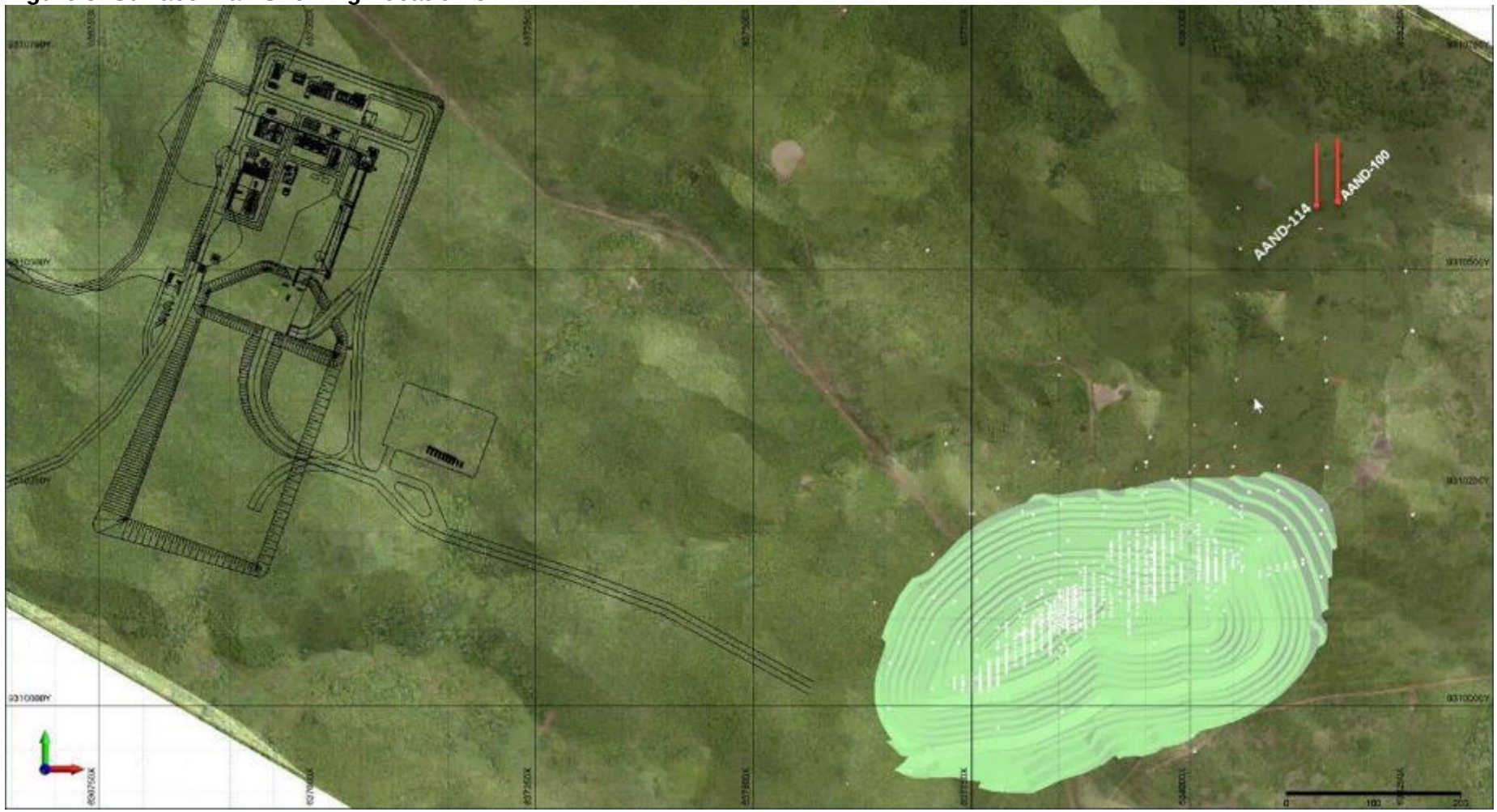
ABOUT AVANCO

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 sin 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 plan 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 for further growth potential. The company is financially strong and debt-free.

Figure 3: Surface Plan Showing Location of AAND-114



Antas Near Mine Exploration. 2017 Results

Hole ID	UTM-E	UTM-N	RL (m)	Dip	Az	Depth (m)	Status	From (m) Downhole Depth	To (m) Downhole Depth	Width (m) Downhole Depth	Cu (%)	Au (g/t)
AAND-100	638170	9310570	297	-50	000	113.00	Completed	**75.50**	**84.15**	**8.60**	**1.30**	**1.36**
And								20.10	40.00	20.10	0.47	0.10
AAND-114	638195	9310565	296	-50	000	108.10	Completed	Results Pending				

The following Table and Sections are provided to ensure compliance with the JORC Code (2012 Edition)

TABLE 1 – Section 1: Sampling Techniques and Data

Criteria	JORC Code explanation	Commentary
Sampling techniques	• *Nature and quality of sampling (e.g. cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as downhole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.*	• Diamond drilling core is cut in half onsite using an industry standard core saw, perpendicular to mineralisation or geology to produce two identical (mirrored) halves. Samples are collected consistently from the same side of cut core, sent to an internationally accredited independent assay laboratory, and analysed for a suite of elements by appropriate analytical techniques for the style and type of Iron Oxide Copper Gold (IOCG) mineralisation.
	• *Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.*	• The drill hole collar locations are surveyed by a Global Positioning System (GPS) instrument, and surveyed accurately (centimetre precision) after completion. Drill samples are logged for lithology, weathering, structure (diamond core), mineralogy, mineralisation, colour and other features. Logging and sampling is carried out according to Avanco protocols and QAQC procedures as per industry standard, and overseen by Avanco's Geological Managers and the Competent Person (CP).
	• *Aspects of the determination of mineralisation that are Material to the Public Report. In cases where 'industry standard' work has been done this would be relatively simple (e.g. 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (e.g. submarine nodules) may warrant disclosure of detailed information.*	• Diamond core is HQ and NQ in size, sampled on mineralised intervals or regular 1.0 m intervals in wide mineralised zones. Core is cut in half to produce sample weights of 3–5kg. Samples are crushed, dried and pulverised (total prep) to produce a sub-sample for analysis. Using a four-acid digest, drill core samples are analysed for Cu, Ni (ICP) and Au (Fire Assay, 50g). Mineralised zones and samples with >2,000 ppm Cu are further analysed for "Ore Grade" Cu by Atomic Absorption Spectrometry (AAS). Additional elements may be assayed based on geological observations.
Drilling techniques	• *Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (e.g. core*	• Diamond drilling is a combination of HQ and NQ. Core is reconstructed into continuous runs on an angle iron cradle orientation device.

Criteria	JORC Code explanation	Commentary
	diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).	
Drill sample recovery	• *Method of recording and assessing core and chip sample recoveries and results assessed.*	• Diamond core recoveries are logged and recorded in the database. Overall recoveries are consistently >95% in oxide and >99% in fresh rock. Drill sample recoveries are recorded as an average for each metre and recorded in the database. Recoveries are excellent and there are no known sample recovery problems, with the exception of the soil profile.
	• *Measures taken to maximise sample recovery and ensure representative nature of the samples.*	• Diamond core is reconstructed into continuous runs on an angle iron cradle for recovery measurement and core orientation. Depths are checked against those marked on the core blocks, and against the drilling company's records.
	• *Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.*	• There is no known sample bias or potential for sample bias.
Logging	• *Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.*	• Drill samples are logged for lithology, weathering, structure (diamond core), mineralogy, mineralisation, colour and other features. Logging and sampling is carried out according to Avanco protocols and procedures as per industry standard, and overseen by the Company's Geological Managers. The Company believes that the level of detail and quality of the work is appropriate to support current and future studies.
	• *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.*	• Drill samples are logged for lithology, weathering, structure (diamond core), mineralogy, mineralisation, colour and other features. Core is photographed both wet and dry.
	• *The total length and percentage of the relevant intersections logged.*	• All drill holes are logged in full from start to finish of the hole.

Criteria	JORC Code explanation	Commentary
Sub-sampling techniques and sample preparation	• *If core, whether cut or sawn and whether quarter, half or all core taken.*	• Where sampled, core is cut in half onsite using an industry standard core saw, perpendicular to mineralisation or geology to produce two identical (mirrored) halves. Samples are collected consistently from the same side of cut core.
	• *If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.*	• Drilling to date has been by diamond core.
	• *For all sample types, the nature, quality and appropriateness of the sample preparation technique.*	• Sample preparation is according to industry standard, including oven drying, coarse crush, and pulverisation to 85% passing 100µm or better.
	• *Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.*	• Avanco uses an industry standard QAQC programme involving Certified Reference Materials “standards” for Cu (with Cu grades ranging from low to very high), and blank samples, which are introduced in the assay batches at an approximate rate of one control sample per 20 normal samples. These QAQC results are reported along with the sample values in the preliminary and final analysis reports. Umpire checking of the Primary laboratory is then carried out by a Secondary laboratory. Both are internationally accredited independent assay laboratories.
	• *Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.*	• Duplicates are inserted at an approximate rate of 1 duplicate per 40 normal samples. Umpire checking of the Primary laboratory is then carried out at by a Secondary laboratory, at an approximate rate of 1 control sample per 20 normal samples, or a minimum of 3 umpire samples per hole.
	• *Whether sample sizes are appropriate to the grain size of the material being sampled.*	• Sample sizes are considered to be appropriate and correctly represent the style and type of mineralisation.
Quality of assay data and	• *The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.*	• Assaying uses a four acid digest, which is a standard industry method for Base and Precious metals analysis. The acids used are hydrofluoric, nitric, perchloric and hydrochloric acids, suitable for silica

Criteria	JORC Code explanation	Commentary
laboratory tests		based samples. The method approaches total dissolution of most minerals. "Ore grade" Cu is further analysed by an accredited AAS "Ore Grade" analysis method. The analysis is considered total and appropriate.
	• *For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.*	• It is the Company's policy not to use in-house tools to determine reportable results for anything other than regional soil sampling. Portable XRF's are used internally by Company geologists to assist in geological and mineralogical interpretation.
	• *Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.*	• Avanco uses an industry standard QAQC programme involving Certified Reference Cu Materials "standards" (with Cu grades ranging from low to very high), blank samples, duplicates and Umpire Laboratory check sampling. Data is analysed and reported internally on a monthly basis for accuracy, precision, repeatability and various biases.
Verification of sampling and assaying	• *The verification of significant intersections by either independent or alternative company personnel.*	• Avanco's Exploration Manager and/or senior geologists visually verify significant intersections and results.
	• *The use of twinned holes.*	• The Company uses twin holes routinely in the more advanced stages of resource definition drilling, and for metallurgical drilling.
	• *Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.*	• Primary data is collected on Excel templates with detailed geological and structural logging recorded on paper. Information is transferred, validated, complied, and managed by the Company's in-house database manager in a relational database. All Company Intellectual Property is stored on a central server, kept in a secure and environmentally controlled room. Automated tape back-up occurs on a nightly basis and duplicate back-ups are regularly rotated "off-site" as a secondary precaution in case of loss of the Server site.
	• *Discuss any adjustment to assay data.*	• No adjustments or calibrations are made to assay data.

Criteria	JORC Code explanation	Commentary
Location of data points	• *Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.*	• Collar locations are surveyed by GPS on the State Survey Datum using true Mean Sea Level RL's, and surveyed accurately (centimetre precision) after completion Downhole surveys are completed using a Maxibor digital down-hole tool with readings taken every 3 m.
	• *Specification of the grid system used.*	• Universal Transverse Mercator, SAD69 Zone 22 South.
	• *Quality and adequacy of topographic control.*	• Regional Topographic control (1 m contours) and Digital Terrain Models are used. The whole Pedra Branca area has been accurately surveyed on ground, survey points are nominally 30m apart, and more detailed in areas with greater relief.
Data spacing and distribution	• *Data spacing for reporting of Exploration Results.*	• The current drill programme is exploratory in nature. Infill drilling will follow a nominal 25 m by 25 m spacing.
	• *Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.*	• The current drill programme is exploratory in nature. No Mineral Resources are reported herein.
	• *Whether sample compositing has been applied.*	• The current drill programme is exploratory in nature. Sample compositing has not been applied.
Orientation of data in relation to geological structure	• *Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.*	• The current drill programme is exploratory in nature. Drilling has been orientated to be as close to perpendicular as practicable to the known geology in the vicinity of the Antas deposit.
	• *If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.*	• The company does not believe that any sample bias has been introduced.
Sample security	• *The measures taken to ensure sample security.*	• Chain of custody is managed by Avanco. All core samples are received intact and in their entirety in their core trays at the Company's secure Core Yard in Parauapebas, Para, Brazil. All sampling and work on the

Criteria	JORC Code explanation	Commentary
		samples is carried out within the confines of this secure facility. Samples are delivered by Avanco personnel directly to the laboratory in Parauapebas and thus at no point do the samples leave the possession of Avanco staff prior to arriving at the laboratory. Avanco has protocols and procedures for tracking the progress of the samples through the laboratory, ensuring accurate validation and authentication of results issued by the laboratory in relation to the samples that were submitted.
Audits or reviews	• *The results of any audits or reviews of sampling techniques and data.*	• CSA Global Pty Ltd (CSA Global) has previously competed a full onsite (in Brazil) review of all Company drilling, sampling, data and exploration management procedures from start to finish, including a visit to the independent laboratory facilities, as part of their own due diligence in 2012, prior to commencing Mineral Resource estimation work for Avanco on the Company's projects in Brazil. Avanco received a very favourable review, with no area needing any significant change or improvement, or any concern with the quality and integrity of data received by CSA Global from Avanco.

TABLE 1 – Section 2: Exploration Results

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	• *Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.*	• AVB MINERAÇÃO Ltda, a wholly owned Brazilian subsidiary of Avanco Resources Ltd owns the rights to 100% of Mining Lease PL470/2014. Existing third party Royalties amount to a 3% NSR on Cu and 26% NSR on Au. State royalties amount to a 2% NSR on Cu and 1% NSR on Au.

Criteria	JORC Code explanation	Commentary
	• *The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.*	• PL470/2014 is a granted Mining License (Portaria de Lavra), granted on 9/9/2014 in perpetuity until all Reserves are exhausted. All tenements are granted exploration licenses
Exploration done by other parties	• *Acknowledgment and appraisal of exploration by other parties.*	• AVB's CP has determined that the quality and integrity of historical work is adequate for inclusion, consideration and interpretation in the current work programme.
Geology	• *Deposit type, geological setting and style of mineralisation.*	• Iron Oxide Copper Gold (IOCG) breccia pipe, hosted predominantly by mafic metavolcanic and granitic rocks.
Drill hole Information	• *A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:* *a. easting and northing of the drill hole collar* *b. elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar* *c. dip and azimuth of the hole* *d. down hole length and interception depth* *e. hole length.*	• The tables of drilling information contained in this report include the Information relating to Points "A" though to "E" inclusive.
	• *If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.*	• The information has not been excluded.
Data aggregation methods	• *In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (e.g. cutting of high grades) and cut-off grades are usually Material and should be stated.*	• Where results are reported, averaging of mineralised intervals are calculated by the following parameters 1. Weighted averaging of grade/thickness 2. A minimum Cut-off grade of 0.1% Cu 3. A maximum of 3 continuous metres of internal dilution (<0.1% Cu) 4. Top-Cuts of 20% Cu, 10g/t Au

Criteria	JORC Code explanation	Commentary
	• *Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.*	• Where results are reported and intercepts incorporate lengths of "high grade" (in the context of surrounding results), these "high grade" results are detailed transparently and separately in any reported results, both in the text of the report and in any attached tables.
	• *The assumptions used for any reporting of metal equivalent values should be clearly stated.*	• Metal Equivalents have not been used in this report.
Relationship between mineralisation widths and intercept lengths	• *If the geometry of the mineralisation with respect to the drill-hole angle is known, its nature should be reported.*	• Geology and mineralisation in proximity to the Antas mine is relatively well understood. Drilling is angled at achieving the most representative perpendicular intersections.
	• *If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (e.g. 'down hole length, true width not known').*	• The current drill programme is exploratory in nature. Downhole lengths have been used and this is clearly stated in the text and tables.
Diagrams	• *Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.*	• An appropriate location plan has been included, which also shows the location of drilling with respect to the Antas pit and Antas mine infrastructure.
Balanced reporting	• *Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.*	• The current drill programme is exploratory in nature. Assays are currently pending form the single drill hole completed.
Other substantive exploration data	• *Other exploration data, if meaningful and material, should be reported) including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating*	• All material and meaningful exploration data, relevant to the scope of work in this report, has been included in this report. There is no other information, which is available and/or in the opinion of the Company's CP is lacking in this report.

Criteria	JORC Code explanation	Commentary
	substances.	
Further work	• *The nature and scale of planned further work (e.g. tests for lateral extensions or depth extensions or large-scale step-out drilling).*	• The current drill programme is exploratory in nature. Future work will consist of step out drilling based on results.
	• *Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.*	• Figures included in this report show location of drilling with respect to the Antas pit and Antas mine infrastructure.