



Avanco Resources (ASX:AVB)

Suite 3, 257 York Street
Subiaco, WA 6008

PO Box 1726
West Perth, WA 6872

Tel: +61 8 9324 1865
Fax: +61 8 9200 1850

Contacts:

Tony Polglase
Managing Director
info@avancoresources.com

Phil Retter
Investor Relations
NWR Communications
phil@nwrcommunications.com.au
Tel: +61 407 440 882

For the latest news:

www.avancoresources.com

Directors / Management:

Colin Jones
Tony Polglase
Simon Mottram
Wayne Phillips
Scott Funston
Luis Azevedo
Vern Tidy
Otávio Monteiro

ASX ANNOUNCEMENT

5 July 2016

APPOINTMENT OF INDEPENDENT NON-EXECUTIVE DIRECTOR

The Company is pleased to advise the appointment of Mr Luiz Ferraz as an Independent Non-Executive Director.

With commercial production having commenced, the engagement of Mr Ferraz continues the on-going restructuring of Avanco's Board towards greater independence and compliance with ASX Corporate Governance Guidelines.

Mr Ferraz brings unparalleled Brazilian industry and corporate expertise to the Company which will bolster Avanco's standing within the business and financial sectors of Brazil.

As the former CFO and subsequently CEO of Paranapanema's Copper Smelter, Mr Ferraz successfully advanced the smelter into a financially strong business, increasing cathode production from 190,000tpa to 280,000tpa, and doubling copper pipe and sheet production to 36,000tpa and 55,000tpa respectively.

Mr Ferraz is well known to Brazilian mining majors, international copper producers and commodity traders having negotiated many copper contracts on behalf of Paranapanema.

Mr Ferraz was also previously Operations Manager for Banco Bandeirantes, responsible for credit analysis and financial transactions associated with the National Bank of Economic Development, Social Integration Programme and Financing of Machinery and Equipment.

Having participated in numerous major transactions amounting to hundreds of millions of Reals, Mr Ferraz has a proven track record of successfully debt financing Brazilian companies.

Mr Ferraz's mining experience includes the acquisition of Mineração Santa Elina's shares (now Yamana Gold) from Echo Bay and the sale of the Patinga Tin Mine to Peruvian mining group Minsor.

Mr Ferraz is currently a partner of Brasil Agro, a Sao Paulo based specialist agribusiness investment fund and sits on the board of a number of industrial companies.

Tony Polglase
Managing Director

ABOUT AVANCO

- Avanco (ASX: AVB) is an emerging mid-tier copper company situated in the mining friendly, world class Carajas Mineral Province of 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 being fully funded into production whilst remaining debt and covenant free
- The Antas was built on time, under budget with an exceptional commissioning and ramp-performance during Q2 2016
- Commercial production was declared in July 2016 for 12,000tpa of copper in concentrate and 7,000ozpa of gold bi-product credits
- Management believe Antas can likely be increased to 15,000tpa 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
- The future development of the nearby Pedra Branca underground project has the potential to increase Avanco's production to ~50,000tpa of copper in 4-5 years. Study of an initial, smaller scale operation is at an advanced stage as a pre-cursor to full scale development
- 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 neighboring majors and other companies

For further information, contact:

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Tel: +61 407 440 882