

Avanco Resources (ASX: AVB)

31 January 2017

Suite 3, 257 York Street
Subiaco, WA 6008
Australia.

PO Box 1726
West Perth, WA 6872,
Australia

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

Contacts:

Nicholas Bias
Head of Corporate Affairs
nbias@avancoresources.com
Tel: +44 (0)7771 450 679

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

For the latest news:

www.avancoresources.com

Directors:

Colin Jones
Tony Polglase
Simon Mottram
Luis Azevedo
Vern Tidy
Luiz Ferraz

Management:

Wayne Phillips
Scott Funston
Nicholas Bias
Otávio Monteiro

FOURTH QUARTER 2016 ACTIVITIES REPORT

Avanco Resources Limited (“Avanco” or “the Company”) is pleased to present its Fourth Quarter 2016 Activities Report for the period ending 31 December 2016. During the quarter the Antas Mine continued to ramp-up, achieving record production, and passing a decisive milestone as it recorded positive cash flows. The Company remains debt free, with cash balances increasing to \$22.9 million at year-end. In addition, the Company made good progress developing its new project pipeline, advancing construction activities at the Pedra Branca Copper-Gold Project and announcing a maiden resource at the CentroGold Project.

HIGHLIGHTS

- Production guidance exceeded, with record quarterly production of 4,010t of copper (FY2016 11,188t) and 2,839oz of gold (FY2016 7,779oz)
- Record quarterly concentrate sales of 13,868t (FY2016 36,765t) and provisional sales revenue of US\$23.0m (FY2016 US\$58.2m)
- C1 unit cash costs improved 2% to US\$1.22/lb compared to the previous quarter (FY2016 US\$1.10/lb). Record free cashflow from operations increased to US\$7.5m (FY2016 US\$10.3m)
- Cash increased by US\$3.5m after capital expenditure to US\$22.9m at 31 December 2016 - the Company continues to be debt-free
- Excellent safety performance with no lost-time injuries
- Infrastructure construction at Pedra Branca advanced; rights purchased from copper major to prospective license along strike
- Maiden resource estimates at CentroGold announced

Commenting on the results, Mr Tony Polglase, Managing Director said: “In 2016 Avanco passed the main milestone of any mining company when the Antas Mine came in to production, notably in our case, ahead of schedule and below budget. The final quarter of 2016 saw us pass the second major milestone when only a short-6 months after declaring commercial production, the mine is now producing generous free cash flows, and therefore we close the year with a healthy cash balance of US\$22.9 million and with no debt. We look forward to building on this success in 2017 as we continue to ramp-up, delivering more production at a time that the outlook for copper is improving, in addition to advancing the many growth opportunities available to us.”

	Q4 2016	Q3 2016	Variance	FY 2016
Copper in concentrate produced (tonnes)	4,010	3,330	+20%	11,188
Gold in concentrate produced (ounces)	2,839	2,246	+26%	7,779
Copper in concentrate sold ('000lbs)	8,328	7,178	+16%	21,931
Gold in concentrate sold (ounces)	2,604	2,292	+14%	6,847
C1 cash cost (US\$/lb)	1.22	1.25	-2%	1.10

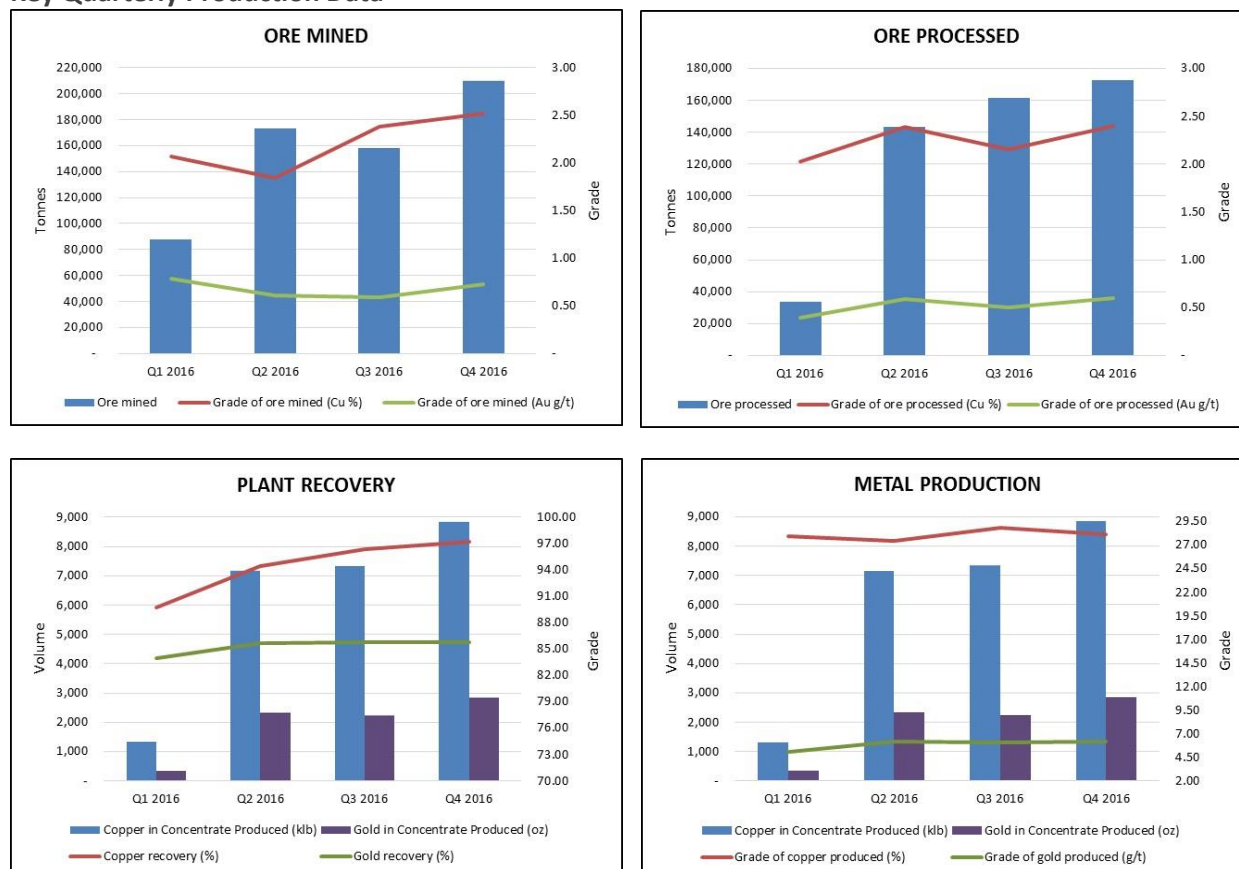
A conference call to discuss the results will be held today at 13:00 AEST / 10:00 AWST. The conference call number is 1800 268 560 / +61 2 7200 9400, passcode 416782#. A replay will be available at 1800 731 519 / +61 2 8047 9399, conference ID 188127, PIN code 498469# for approximately 14 days.

1. ANTAS MINE

During the quarter, the increase in the copper price combined with higher production and a decrease in operating costs, resulted in a significant increase in free cashflow and cash position.

The year to date cash receipts from customer, net of treatment and refining costs, has surpassed the construction costs incurred in building the Antas Mine, within an industry leading six months since declaring commercial production.

Key Quarterly Production Data



SAFETY

The Antas Mined continued an excellent safety performance with no LTIs reported in the quarter. Over 1,605,492 man-hours without LTI have been achieved to date.

MINING AND PROCESSING

Production through the fourth quarter exceeded guidance, with 4,010t of copper metal in concentrate produced for the quarter and 11,188t of copper metal in concentrate produced for the year. The installation of the tertiary crusher was completed on time and within budget, and has increased crushing productivity from ~120tph to ~200tph.

Highlights for the quarter included:

- Copper production exceeded guidance by over 1,000 tonnes
- Higher head grade results in copper recoveries increasing to 97.2% compared to 96.4% in the previous quarter
- 15% increase in milling throughput
- Excellent safety performance, with no lost time injuries reported

	Units	Q42016	Q3 2016	Variance	FY 2016
Mining					
Total Material Mined	t	1,680,311	1,645,365	+2%	6,497,037
Ore Mined	t	210,137	158,006	+33%	629,026
Copper Grade	%	2.52	2.38	+6%	2.24
Gold Grade	g/t	0.73	0.59	+24%	0.67
Processing					
Tonnes Processed	t	172,320	161,247	+7%	510,830
Copper Grade	%	2.40	2.15	+12%	2.29
Gold Grade	g/t	0.60	0.51	+18%	0.55
Copper Recovery	%	97.20	96.36	+1%	95.76
Gold Recovery	%	85.82	85.81	-	85.81
Production					
Concentrate	DMT	14,243	11,563	+23%	39,794
Contained Copper	t	4,010	3,330	+20%	11,188
Contained Gold	oz	2,839	2,246	+26%	7,779
Concentrate Copper Grade	%	28.16	28.80	-3%	28.11
Concentrate Gold Grade	g/t	6.20	6.04	+3%	6.08

Mining

Open pit mining continued with a focus on completing the Stage 1 development, to reduce production risks. Significant works outside of the pit included completion of the waste dump diversion works and progressive rehabilitation.

Antas Stage 1 Pit in the foreground



Antas Stage 2 Pit progress



Year to date reconciliation of copper production versus ore reserves continues to track well, with a very strong positive reconciliation for gold.

Mine Reconciliation – YTD 2016	Actual Mined	Ore Reserve	Variance (%)
Copper Metal Tonnes	12,230	12,353	-1%
Gold Metal Ounces	11,291	9,162	+23%

Production came mostly from the Stage 1 Pit. Adjustments were made to the ore boundary definitions to accommodate some lower/medium grades zones as a consequence of grade control drilling results. This resulted in the loss of some tonnes, but was compensated by a corresponding increase in grade.

High grade massive sulphide ore in Antas Stage 1 Pit



Close-spaced infill drilling provided better definition to the original sporadic high-grade gold zones.

Antas Mine Production – Q4 2016	Actual Mined	Ore Reserve	Variance (%)
Tonnes	210,137	238,416	-12%
Grade Cu %	2.52	2.17	+16%
Copper Metal (t)	5,295	5,169	+2%
Grade Au g/t	0.73	0.52	+40%
Gold (oz)	4,936	3,988	+24%

Processing

The plant maintained consistent production levels throughout the quarter, while also completing several preventative maintenance programmes, including the relining of the ball mill.

The implementation of a programme of process optimisation, based on recommendations from a metallurgical specialist, resulted in a 15% improvement in plant throughput, up from an average 87tph up to a sustainable 100tph. This exercise has resulted in a significant increase in production above guidance.

Installation of a tertiary crusher was completed in December. This has reduced the operating load on the secondary cone crusher and increased crushing capacity to approximately 200tph.

Antas Mine ROM pad, seeding and preparation of the ROM pad flanks



OPERATING COSTS

Antas recorded a C1 unit cash cost per payable pound of payable copper for the quarter of US\$1.22/lb, a 2% improvement compared to the previous quarter. The average C1 unit cash cost for the year was US\$1.10/lb. The average annual C1 cost is lower than in the final two quarters of the year for a variety of factors, notably: Brazilian Real strength, capitalisation of costs during trial mining, inventory stockpile movements, and additional costs incurred during the ramp-up and

commencement of commercial production. The costs for six months to 31 December 2016 more closely reflect forecast costs.

The record copper production and higher grade achieved was offset to some degree by a decrease in gold credits due to a lower provisional gold price and the strengthening of the Brazilian Real against the Dollar.

	Units	Q4 2016	Q3 2016	Variance	FY 2016
Payable Copper Production	'000lbs	8,527	7,086	+20%	23,787
Production Costs					
Mining Cost	US\$/lb	0.79	0.85	-7%	0.75
Processing Cost	US\$/lb	0.39	0.40	-3%	0.35
Administration Cost	US\$/lb	0.08	0.09	-11%	0.08
Subtotal	US\$/lb	1.26	1.34	-6%	1.18
Selling Costs					
Freight	US\$/lb	0.22	0.23	-4%	0.21
Gold Credits	US\$/lb	(0.38)	(0.43)	-12%	(0.37)
Smelter Charges	US\$/lb	0.22	0.21	-5%	0.20
Subtotal	US\$/lb	0.06	0.01	-500%	0.04
Cash Operating Cost	US\$/lb	1.32	1.35	-2%	1.22
Movement Stockpiles	US\$/lb	(0.10)	(0.10)	-	(0.12)
C1 Unit Cash Costs*	US\$/lb	1.22	1.25	-2%	1.10
All in Sustaining Cash Costs	US\$/lb	1.53	1.57	-3%	1.42
Average USD/BRL	USD/BRL	3.30	3.25	+2%	3.35

*C1 and All in Sustaining unit cash costs are calculated per payable pound of copper produced and adjusted for inventory movements during the period. Mining costs include the full cost of all waste mined during the period.

2017 QUARTER 1 PRODUCTION AND COST GUIDANCE

As the production capacity of the plant continues to be tested during the first quarter of 2017, the Company is confident that Quarter 1 2017 production will be 3,000 to 3,500 tonnes of copper with costs also in-line with previous quarters.

Consequently, the Company is taking a conservative view to guidance for early 2017 with a view to providing full annual guidance during the second quarter.

SALES

	Units	Q4 2016	Q3 2016	Variance	FY 2016
Concentrate Sales					
Copper in Concentrate Sold	'000lb	8,328	7,178	+16%	21,931
Gold in Concentrate Sold	oz	2,604	2,292	+14%	6,847
Provisional Sales (excluding costs)	US\$'000	23,009	19,041	+21%	58,245

A total of 8,327,771 pounds of copper and 2,604 ounces of gold were sold during the fourth quarter at average provisional prices of US\$2.38/lb copper and US\$1,227/oz gold respectively resulting in gross provisional sales of US\$23.0 million (FY2016 US\$58.2m). The Company was also able to take advantage of pricing provisions permitted within the offtake contract and secured final prices for all copper shipped since September at prices above those in the provisional invoices. Additionally, 4,000 tonnes of copper metal were sold forward at \$5,757.90 per tonne. This pricing is effective for

shipments commencing early December and will be allocated to approximately 70% of the payable copper of each shipment until the Company has shipped the 4,000 tonnes of allocated payable copper. The approximate 30% remaining for each shipment will be at quotational period prices.

Sales finalised during the Quarter

Final concentrate assays for the first five shipments were agreed and finalised with the customer during the quarter. Reconciliation of the differences, that included assay, weight and pricing adjustments generated a net cash outflow of US\$278,000.

Sales	Units	Provisional	Final	Variance
Copper in Concentrate Sold	'000lb	1,209	1,092	-117
Gold in Concentrate Sold	oz	302	287	-15
Copper Sales (excluding costs)	US\$'000	2,663	2,393	-270
Gold Sales (excluding costs)	US\$'000	373	365	-8
Copper Price	US\$/lb	2.20	2.19	-1
Gold Price	US\$/oz	1,235	1,272	+37

The analytical methodology and laboratory used for final assaying the Antas mine concentrate was changed during the quarter to align with the methodology used by the customer. This change came about after investigations of a constant discrepancy when exchanging and agreeing on final concentrate assay grades. The differences received to date, for shipments up to the end of September 2016 resulted in an approximate reduction of 4.5% in payable copper and 2.9% increase in gold ounces previously reported. The financial impact has been more than offset by metal pricing adjustments such that the cumulative impact for shipments to the end of September 2016 will result in the receipt of additional payments.

The apparent differences seen in "exchange" quantities are expected to reduce during the fourth quarter 2016 due to the amended assay methodology and the expected improvement in the reliability of assay results.

2. PEDRA BRANCA

PEDRA BRANCA EAST DEVELOPMENT

Highlights for the quarter included:

- Box-cut and portal geotechnical works completed
- Infrastructure works progressed including completion of access bridge

Against the backdrop of improving market prices and outlook for copper and gold, works completed to date, and the positive outcome of the Scoping Study (released in September 2016), management is reviewing the Project and establishing a budget to complete a Definitive Feasibility Study for a full scale mine.

The box-cut and portal were completed during the December quarter ahead. As expected, ground conditions proved favourable with competent rock at the entry location.

Completion of the box-cut and portal ahead of the wet season put the Company in a good position to be able to accelerate the timeline for the ultimate development of a full-scale mine.

Construction of a new 120-metre-long concrete river bridge was completed on schedule. Onsite infrastructure works, including internal roads, drainage, workshop and an explosives magazine were also completed.

PEDRA BRANCA EAST EVALUATION STUDY

The Pre-Feasibility Study sets out to evaluate a number of low-CapEx development scenarios inclusive of the case for continuing the decline ahead of the Definitive Feasibility Study (DFS). This option will provide a number of opportunities, notably generating detailed information to support the DFS and potentially a new source of ore that could be processed at Antas.

Surface infrastructure activities will temporarily be suspended for the current wet season during which time management will be releasing a summary of the PFS.

CENTROGOLD PROJECT

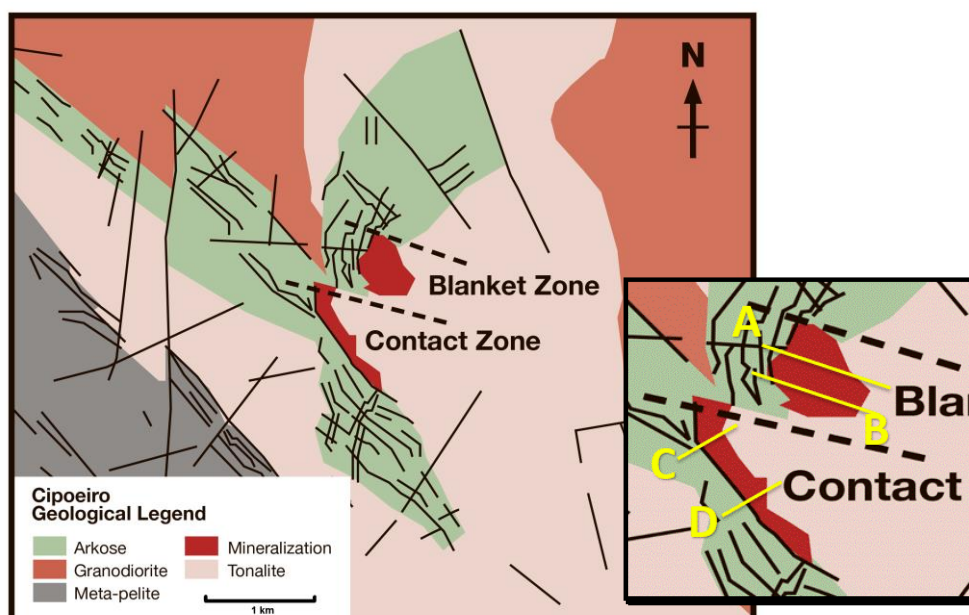
RESOURCE STUDIES

The Cipoeira Deposit within the CentroGold Project² consists of two separate zones; the Blanket Zone for which a maiden mineral resource was reported in December 2016³; and the adjacent Contact Zone for which a maiden mineral resource was reported in January 2017⁴. Together they are host to over 1.2Moz of gold at an average grade of 2.0g/t.

CentroGold Mineral Resources - January 2017 (above a cut-off grade of 1.0g/t Au)				
Cipoeira Deposit	Category	Million Tonnes	Au (g/t)	Gold Metal (Oz)
Contact Zone	Inferred	8.04	2.3	592,300
Blanket Zone	Inferred	12.20	1.8	694,000
	TOTAL	20.24	2.0	1,286,300

The size and tenor of this resource underscores the Company's belief that the project has the potential to support a scalable, low-CapEx open pit mining operation. Further significant growth potential exists, with the nearby Chega Tudo Deposit, in addition to the exploration potential associated with the large contiguous tenement package.

Blanket and Contact zones. Representative cross sections are appended



Complete results from (historic) drilling shown on Blanket Zone Sections A and B, are provided in the tables appended, while peak results include:

- 12.0m at 3.3g/t gold from 18.0m* [FCP0044]
- 15.0m at 4.1g/t gold from 30.0m* [GXPP0277]
- 37.0m at 2.1g/t gold from 47.0m* [GXPP0295]
- 20.0m at 4.8g/t gold from 30.0m* [GUPD0106]
- 25.0m at 3.5g/t gold from 18.0m* [KCP295]
- 30.5m at 7.0g/t gold from 30.0m* [FCP0042]

Complete results from (historic) drilling shown on Contact Zone Sections C and D, are provided in the tables appended, while peak results include:

- 59.0m at 2.7g/t gold from 32.0m* [GUPD0113]
- 43.0m at 2.2g/t gold from 79.0m* [GUPD0109]
- 17.0m at 5.6g/t gold from 74.0m* [GUPD0101]
- 18.0m at 5.4g/t gold from 107.0m* [GUPD0070]
- 18.0m at 10.9g/t gold from 142.0m* [GUPD0089]
- Including 4.0m at 29.8g/t gold from 153.0m*

**All drilling is historic. Grades are uncut. Widths and depths reported are downhole.*

FORWARD PROGRAM

With the more attractive grade returned from the Contact Zone, Avanco's immediate plan is to evaluate the entire Deposit with a Scoping Study to be completed during the first quarter of 2017. Infill drilling is required to improve confidence in the estimate, with the timing of commencement dependent on licensing activities.

LICENSING UPDATE

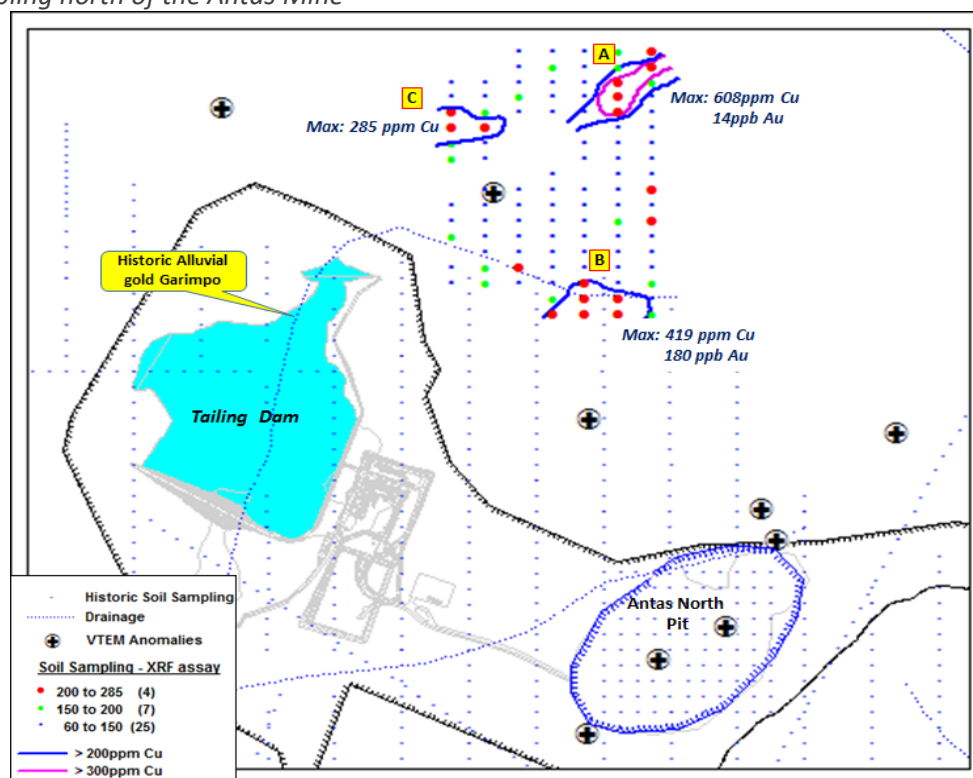
The Cipoeiro and Chega Tudo deposits are at an advanced regulatory licensing stage, with unimpeded DNPM title on the Mining Lease Applications. Both applications are pending the prerequisite reissue of a valid Environmental License, which was previously issued and subsequently suspended by another regulatory authority. Good progress towards addressing these issues continues to be made.

3. REGIONAL EXPLORATION

Near mine exploration work during the quarter focused on the area immediately north of the Antas Mine, with soil sampling providing better definition to targets identified in the previous quarter. Regional exploration focused on target generation (soil sampling) in the São Jorge and Trindade South licences.

At Antas, three discrete soil anomalies were identified, labelled as anomaly A, B and C (below). Anomaly A defines a 350m NE-SW striking anomalous trend (similar strike to Antas North) with up to 608ppm Cu and 14ppb Au (in soil), which remains open along strike in both directions and coincides partially with an untested VTEM anomaly target on the SW extension of the anomaly. Anomaly B is 300m long and open to the south with a maximum copper (in soil) value of 419ppm. Anomaly C is 200m long, open to the west, with maximum value copper (in soil) value of 285ppm.

Soil sampling north of the Antas Mine



In mid-January, the Company's geophysical consultant will commence the training programme and ensuing field work programme in the Carajás with the Company's new electromagnetic (EM) survey equipment. Training will be followed by an extensive year-round programme of testing regional exploration targets.

CORPORATE

CASH BALANCES

The Company has further increased its already strong cash balance through disciplined cash management, and positive cash inflow from operations due to increased production and higher copper prices, whilst at the same time, continuing to invest US\$4.4m in the development of Pedra Branca in 2016 and US\$1.0m in CentroGold and other projects.

As at the 31st December, the Company's cash position had increased to US\$22.9m compared to US\$19.3m at the end of the third quarter.

Quarterly Cash Position Reconciliation	US\$'000
Cash Position - 1 October 2016	19,344
Sales receipts <i>net of treatment and refining costs</i>	21,043
Operating costs <i>including royalties, admin and corporate</i>	(13,577)
Free cashflow from operations	7,466
Interest earned and foreign exchange movements in cash held	5
Capital expenditure	(3,949)
Total cash increase	3,522
Cash Position - 31 December 2016	22,866

BOARD COMPOSITION

The Company is progressing the transition of the Board with a short list for a new Non-Executive Director and interviews underway. The Board is aiming to make an announcement in the coming months.

MANAGEMENT ADDITION

In January 2017, the Company announced the appointment of Mr Nicholas Bias to the position of Head of Corporate Affairs with immediate effect. Mr Bias will assist with Avanco's mission to be a mid-tier copper producer, by widening the financial market's appreciation of the Avanco growth story, in Australia and internationally.

2016 AND 2017 REPORTING

The Company will report 2016 Annual Results on Tuesday 28 March 2017 and its First Quarter 2017 Activities Report on Wednesday 26 April 2017. In addition, the Company is targeting the release of the Pedra Branca East pre-feasibility study and the CentroGold Cipoeira Deposit Scoping Study in the first quarter of 2017. A full schedule for 2017 statutory reporting will also be made available with the 2016 Annual Results.

Tony Polglase

Managing Director

For further information please visit www.avancoresources.com or contact:

Nicholas Bias

General Manager Corporate Affairs
nbias@avancoresources.com
Tel: +44 (0)7771 450 679

Phil Retter

Investor Relations
phil@nwrcommunications.com.au
Tel: +61 407 440 882

Note:

Financial numbers, unless stated as final, are provisional and subject to change when final grades, weight and pricing are agreed under the terms of the offtake agreement.

Figures in this announcement may not sum due to rounding.

All dollar amounts in this report refer to United States Dollar unless otherwise stated.

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 15,000tpa 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
- In November 2016 Avanco purchased the rights from Codelco for highly prospective copper tenement along strike from Pedra Branca
- The company is also undertaking exploration work at the nearby CentroGold Project, where the resource base as grown to over 1.2 million ounces at 2.0 g/t gold, with the potential to increase further.
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- 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

CARAJAS COPPER – Mineral Resources ^{5,6,7,8,9}							
DEPOSIT	Category	Million Tonnes	Cu (%)	Au (ppm)	Copper Metal (T)	Gold Metal (Oz)	
PB East ¹⁰	Measured	1.98	2.7	0.7	53,000	43,000	
	Indicated	5.72	2.8	0.7	161,000	123,000	
	Inferred	2.78	2.7	0.6	75,000	55,000	
	Total	10.48	2.8	0.7	289,000	221,000	
PB West ¹⁰	Indicated	4.46	2.04	0.61	91,000	87,000	
	Inferred	2.74	1.72	0.56	47,000	49,000	
	Total	7.19	1.92	0.59	138,000	136,000	
PEDRA BRANCA	Total	17.67	2.44	0.65	427,000	357,000	
ANTAS NORTH ¹⁰	Measured	2.83	3.01	0.72	85,000	66,000	
	Indicated	1.65	2.20	0.42	36,000	22,000	
	Inferred	1.9	1.59	0.23	30,000	14,000	
	Total	6.38	2.38	0.50	152,000	102,000	
ANTAS SOUTH ¹¹	Measured	0.59	1.34	0.18	8,000	3,000	
	Indicated	7.50	0.7	0.2	53,000	49,000	
	Inferred	1.99	1.18	0.2	24,000	13,000	
	Total	10.08	0.83	0.2	85,000	65,000	
TOTAL		34.13	1.95	0.49	664,000	524,000	
ANTAS COPPER MINE – Ore Reserves ^{12,13}							
Classification	Type	Economic Cut-Off Cu%	Tonnes (Mt)	Copper (%)	Gold (g/t)	Copper Metal (T)	Gold (Oz)
Proved	ROM Ore	0.90	1.385	3.62	0.74	50,137	33,046
Probable	ROM Ore	0.90	1.264	2.72	0.57	34,381	23,231
PROVEN + PROBABLE ROM ORE			2.649	3.19	0.66	84,518	56,277
Proved	Low Grade	0.65	0.342	0.74	0.30	2,531	3,308
Probable	Low Grade	0.65	0.635	0.72	0.23	4,572	4,709
TOTAL PROVEN + PROBABLE			3.63	2.53	0.55	91,621	64,294
CENTROGOLD – Mineral Resources							
DEPOSIT	Category	Million Tonnes	Au (g/t)		Gold Metal (Oz)		
CONTACT ZONE ¹⁴	Inferred	8.0	2.3		592,300		
BLANKET ZONE ¹⁴	Inferred	12.2	1.8		694,000		
TOTAL		20.2	2.0		1,286,300		

Competent Persons Statement

The information in this report that relates to Foreign Mineral Estimates, Exploration Targets, Exploration Results and Mineral Resources 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.

1. The Pedra Branca (PB) deposit is defined as an Iron Oxide Copper Gold (IOCG) deposit, typical of that found in the Carajas Province of Brazil, and well documented in respected geological texts
2. Gold mineralisation within the CentroGold project is typical of mesothermal vein-style, or orogenic-style gold deposits
3. Refer ASX Announcement "Maiden Resource Estimate at the CentroGold Project", 20 December 2016, for Competent Person's Consent, material assumptions, and technical parameters underpinning the Blanket Zone resource estimate
4. Refer ASX Announcement "CentroGold Resource Base Grows to Over 1.2M Ounces", 19 January 2017, for Competent Person's Consent, material assumptions, and technical parameters underpinning the Contact Zone resource estimate
5. Refer ASX Announcement "Pedra Branca Resource Upgrade, Advances Development Strategy", 26 May 2016, for Competent Person's Consent, material assumptions, and technical parameters underpinning the Pedra Branca East resource estimates
6. See ASX Announcement "Pedra Branca Resource Upgrade Delivers Substantial Increase in Both Contained Copper and Confidence", 13 July 2015, for Competent Person's Consent, material assumptions, and technical parameters underpinning the Pedra Branca West resource estimate
7. See ASX Announcement "Stage 1 set to excel on new high grade Copper Resource", 7 May 2014, for Competent Person's Consent, material assumptions, and technical parameters underpinning the Antas North resource estimate
8. See ASX announcement "Major Resource Upgrade for Rio Verde", 8 February 2012, for Competent Person's Consent, material assumptions, and technical parameters underpinning the Antas South resource estimate
9. The Antas South JORC compliant resource was prepared and first disclosed under the JORC Code 2004. It has not been updated since to comply with the JORC Code 2012, on the basis that the information has not materially changed since it was last reported
10. Grade Tonnage Reported above a Cut-off Grade of 0.9% Copper
11. Grade Tonnage Reported above a Cut-off Grade of 0.3% Cu for Oxide Resources
12. See ASX Announcement "Maiden Reserves Exceed Expectations for Antas Copper", 17 September 2014, for Competent Person's Consent, material assumptions, and technical parameters underpinning the Antas North JORC (2012) Reported Reserve estimate
13. Measured and Indicated Resources are inclusive of those Mineral Resources modified to produce the Ore Reserves
14. Grade Tonnage Reported above a Cut-off Grade of 1.0g/t Gold

Interests in Mining Tenements Held

Project	Property Name	Tenure Title Holder	Interest %	AREA (ha)	DNPM ⁸ No of Area	Status of Tenure
STAGE 1	RIO VERDE	AVB	100	7,290.69	PL 470	Mining Concession
	RIO VERDE	AVB	100	7,290.69	853.714/1993	Mining Concession
	RIO VERDE	AVB	100	2,009	300.375/2013	#
	SERRA VERDE	AVB	100	2,391	850.622/2007	#
	SERRA VERDE	AVB	100	7,359	850.892/2006	Granted to 2018
	ESTRELA EAST	VDM**	100	4,230	850.825/2005	Granted to 2019
	AGUA BOA	VDM	100	1,327	850.016/2013	#
	AGUA BOA	ARM	100	8,907	850.823/2005	***
	AGUA BOA	ARM	100	6,552	850.552/2016	Granted to 2019
	AGUA BOA	VDM	100	8,957	850.826/2012	***
STAGE 2	PEDRA BRANCA	VDM	100	3,195	850.318/2000	Final Report Approved
	PEDRA BRANCA	VDM	100	8,881	850.570/2003	Granted to 2016
	PEDRA BRANCA	AVB	100	4,106	850.202/2013	Granted to 2016
	PEDRA BRANCA	VDM	100	9,391	850.707/2009	Granted to 2017
	PEDRA BRANCA	VDM	100	9,879	850.526/2004	Granted to 2017
	PEDRA BRANCA	VDM	100	1,040	850.278/2005	Granted to 2017
	PEDRA BRANCA	EST	100	4,998	850.053/2014	Granted to 2018
	PEDRA BRANCA	VDM	100	9,859	851.067/2007	Granted to 2018
	PEDRA BRANCA	VDM**	100	240	850.217/2000	Granted to 2018
	PEDRA BRANCA	AVB	100	5,000	851.674/2011	Granted to 2018
	PEDRA BRANCA	VDM	100	7,770	850.780/2012	Granted to 2018
	PEDRA BRANCA	VDM	100	9,988	850.226/2009	Granted to 2019
	PEDRA BRANCA	EST	100	5,000	850.228/2016	Granted to 2019
	PEDRA BRANCA	AVB	100	598	300.420/2011	#
	PEDRA BRANCA	VDM**	100	4,980	850.146/1995	#
	PEDRA BRANCA	VDM**	100	9,993	850.173/2002	#
	PEDRA BRANCA	VDM**	100	9,755	850.181/2001	#
	PEDRA BRANCA	VDM**	100	10,000	850.300/1993	#
	PEDRA BRANCA	VDM**	100	8,047	850.191/2005	#
	PEDRA BRANCA	EST	100	4,999	851.700/2013	#
PEDRA BRANCA	VDM	100	3,195	300.710/2014	#	
CANAÃ WEST	CANAÃ WEST	VDM**	100****	5,024	850145/1995	Granted to 2018
	CANAÃ WEST	VDM**	100****	10,000	850994/2011	Granted to 2017
	CANAÃ WEST	VDM**	100****	5,753	854951/1995	#
Carajas Regional Trindade Iron Project Touro Nickel Project	CARAJAS REGIONAL	ARM	100	9,724	850.288/2014	Granted to 2018
	TRINDADE NORTH	AVB	100	4,967@	850.283/1999	Final Report Approved
	TRINDADE SOUTH	AVB	#	9,797	850.781/2013	#
	TRINDADE SOUTH	AVB	100	9,797	850.569/2011	Granted to 2018

AVB = AVB Mineraçao. ARM = Avanco Resources Mineraçao. VDM = Vale Dourado Mineraçao. EST = Estela do Brazil Mineraçao.

* Final Exploration Report approved by the National Department of Mineral Production.

** Expected to be, or awaiting or in the process of being transferred into respective subsidiary

*** Subject to pending legal process

**** Subject to conditions of the acquisition agreement

@ Pending size reduction

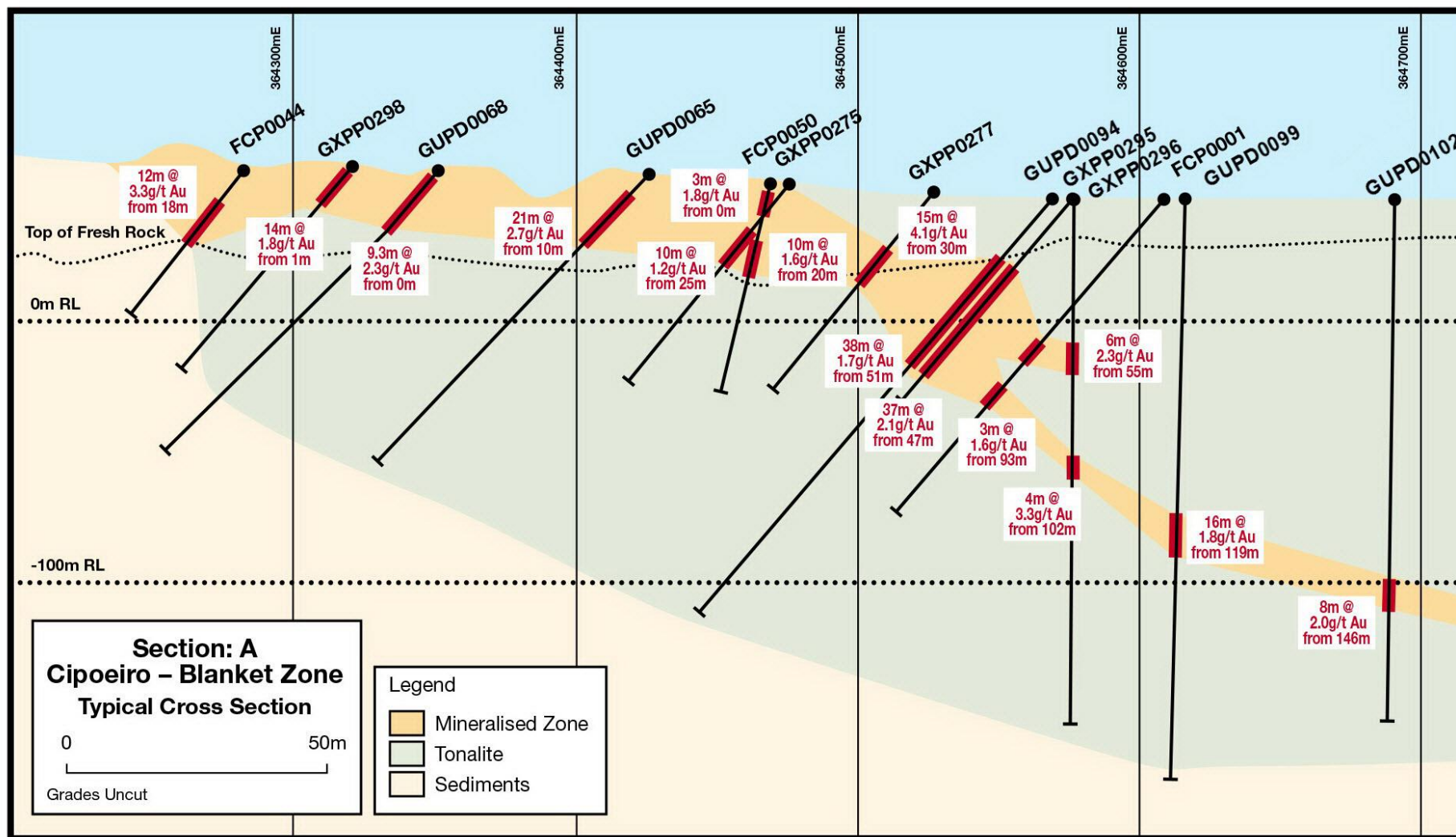
^ Application for an extension of term, awaiting decision

New application (or Bid) for exploration permit (size of tenement may be reduced/reshaped, if approved and before approval)

Summary of Exploration and Evaluation Expenditure Incurred per Project

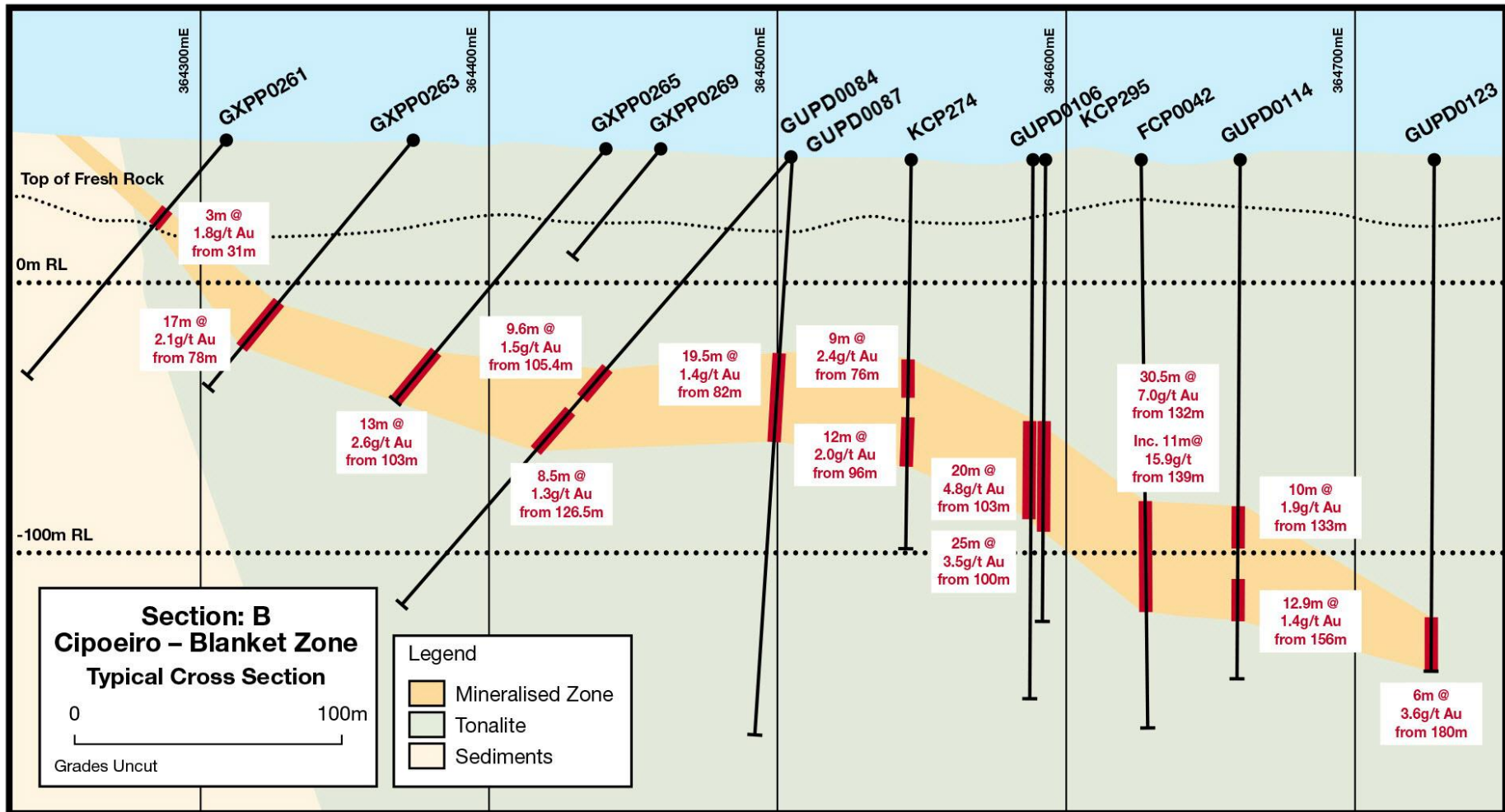
Project	Current Quarter Payments (\$US'000)
Antas	-
Pedra Branca	627
CentroGold Project	389
Regional Exploration	139
Total	1,155

Section "A" Blanket Zone



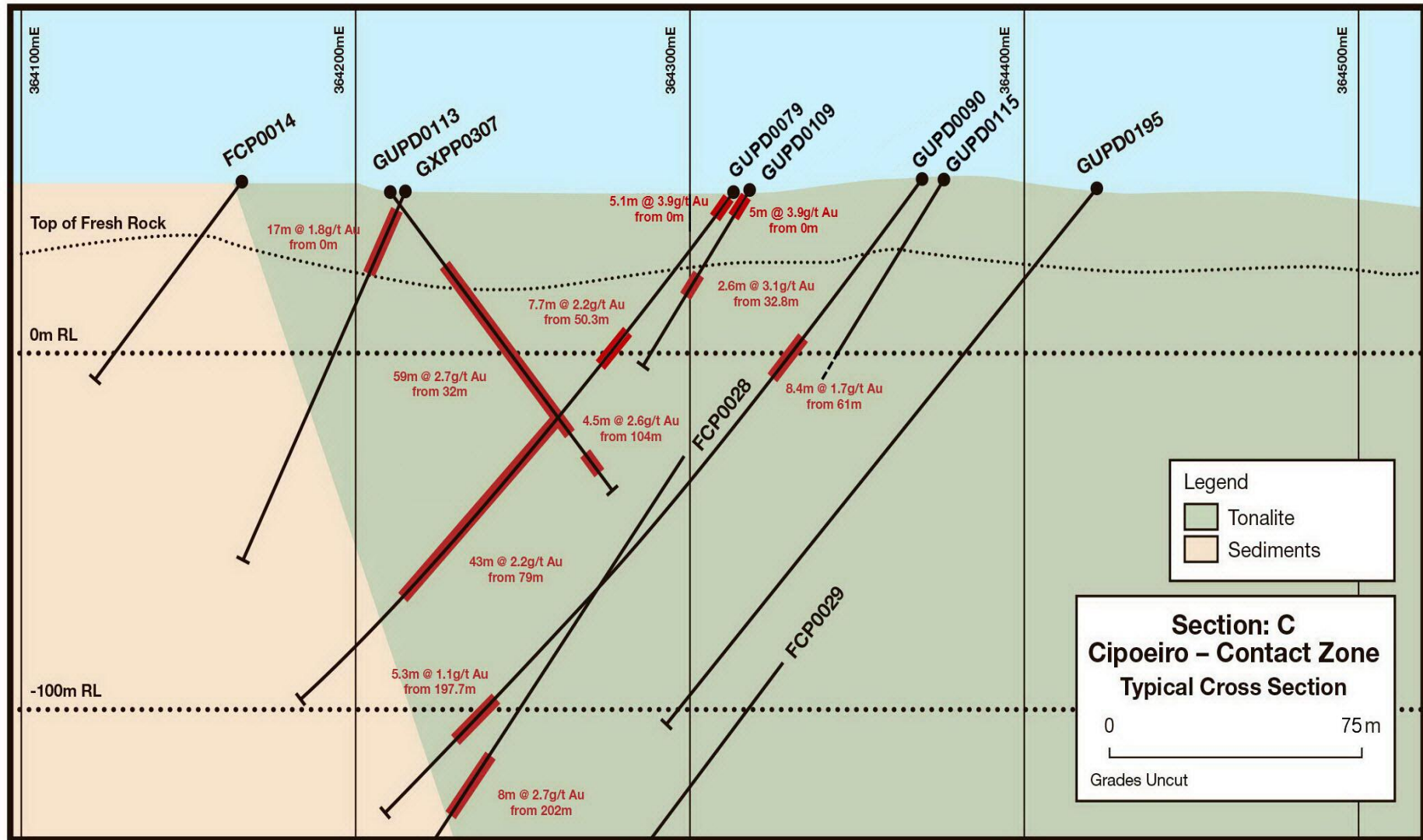
See appended table for a complete listing of historic drill results for Section "A"

Section "B" Blanket Zone



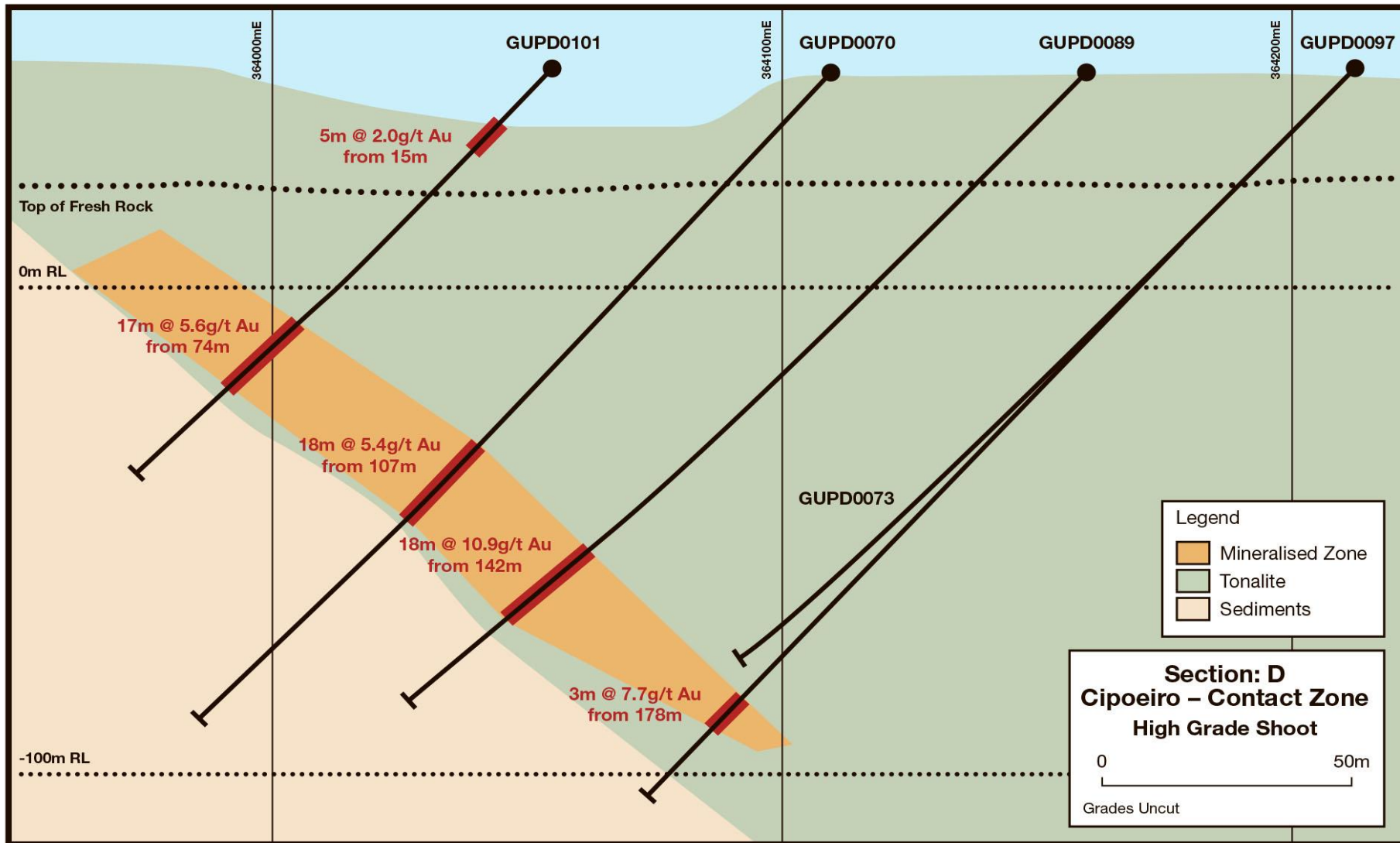
See appended table for a complete listing of historic drill results for Section "B"

Section "C" Contact Zone.



See appended table for a complete listing of historic drill results for Section "C"

Section "D" Contact Zone.



See appended table for a complete listing of historic drill results for Section "D"

CENTROGOLD – BLANKET ZONE. HISTORIC RESULTS – SECTION ‘A’

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	Au g/t
FCP0044	364281.846	9750715.082	56.359	-53	290	71.15	Historic	18.0	30.0	12.0	3.3
GXPP0298	364315.254	9750703.530	55.869	-50	290	102.00	Historic	1.0	15.0	14.0	1.8
GUPD0068	364351.084	9750688.110	57.401	-50	290	150.05	Historic	0.0	9.3	9.3	2.3
GUPD0065	364426.434	9750663.580	55.380	-50	290	150.05	Historic	10.0	31.0	21.0	2.7
FCP0050	364469.037	9750641.986	51.118	-75	278	80.05	Historic	0.0	3.0	3.0	1.8
And							Historic	25.0	35.0	10.0	1.2
GXPP0275	364474.374	9750639.030	50.097	-50	290	96.00	Historic	20.0	30.0	10.0	1.6
GXPP0277	364292.414	9749988.840	46.351	-50	290	95.00	Historic	30.0	45.0	15.0	4.1
GUPD0094	364572.944	9750606.160	45.598	-50	290	209.60	Historic	51.0	89.0	38.0	1.7
GXPP0295	364575.144	9750605.640	45.564	-50	290	100.00	Historic	47.0	84.0	37.0	2.1
GXPP0296	364576.434	9750605.080	45.542	-90	000	115.00	Historic	55.0	61.0	6.0	2.3
And							Historic	102.0	106.0	4.0	3.3
FCP0001	364603.000	9750574.000	50.000	-50	290	160.00	Historic	93.0	96.0	3.0	1.6
GUPD0099	364614.174	9750586.860	44.925	-90	000	220.00	Historic	119.0	135.0	16.0	1.8
GUPD0102	364572.944	9750606.160	45.598	-90	000	209.60	Historic	146.0	148.0	8.0	2.0

CENTROGOLD – BLANKET ZONE. HISTORIC RESULTS – SECTION ‘B’

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	Au g/t
GXPP0261	364310.484	9750547.700	52.904	-50	290	120.00	Historic	31.0	34.0	3.0	1.8
GXPP0263	364375.834	9750523.910	52.423	-50	290	120.00	Historic	78.0	95.0	17.0	2.1
GXPP0265	364441.484	9750499.820	48.788	-50	290	119.00	Historic	103.0	116.0	13.0	2.6
GXPP0269	364460.214	9750493.090	47.832	-50	290	50.00	Historic	No Significant Result			
GUPD0084	364506.634	9750475.730	45.869	-50	290	219.57	Historic	105.4	115.0	9.6	1.5
And							Historic	126.5	135.0	8.5	1.3
GUPD0087	364506.904	9750474.440	45.869	-90	000	214.80	Historic	82.0	101.5	19.5	1.4
KCP274	364547.524	9750460.760	45.869	-86	000	145.30	Historic	76.0	85.0	9.0	2.4
And							Historic	96.0	108.0	12.0	2.0
GUPD0106	364585.174	9750434.920	45.869	-90	000	200.05	Historic	103.0	123.0	20.0	4.8
KCP295	364587.604	9750440.920	45.869	-90	000	171.35	Historic	100.0	125.0	25.0	3.5
FCP0042	364624.222	9750425.346	44.656	-89	000	209.00	Historic	132.0	162.5	30.5	7.0
Including							Historic	139.0	150.0	11.0	15.9
GUPD0114	364656.284	9750411.980	45.869	-90	000	192.65	Historic	133.0	143.0	10.0	1.9
And							Historic	156.0	168.9	12.9	1.4
GUPD0123	364727.214	9750390.970	45.799	-90	000	190.10	Historic	180.0	186.0	6.0	3.6

CENTROGOLD – CONTACT ZONE. HISTORIC RESULTS – SECTION ‘C’

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	Au g/t
FCP0014	364162.115	9749883.490	46.790	-52.3	263.0	70.40	Historic	No Significant Result			
GUPD0113	364204.404	9749901.760	46.984	-50.0	110.0	214.00	Historic	32.0	91.0	59.0	2.7
GXPP0307	364205.824	9749902.110	46.936	-65.0	260.0	120.00	Historic	0.0	17.0	17.0	1.8
And								104.0	108.5	4.5	2.2
GUPD0109	364315.544	9749910.770	45.864	-50.0	215.0	173.20	Historic	0.0	5.0	5.0	3.9
And								50.3	58.0	7.7	2.2
And								79.0	122.0	43.0	2.2
GUPD0079	364316.804	9749912.370	45.864	-50.0	260.0	200.55	Historic	0.0	5.1	5.1	3.9
And								32.8	35.4	2.6	3.1
GUPD0090	364370.044	9749921.430	46.295	-50.0	260.0	244.00	Historic	61.0	69.4	8.4	1.7
And								197.7	203.0	5.3	1.1
GUPD0115	364371.534	9749921.260	46.405	-50.0	215.0	228.23	Historic	No Significant Result			
GUPD0195	364420.724	9749930.970	45.509	-50.0	260.0	200.05	Historic	No Significant Result			
FCP0028	364354.765	9749883.208	45.354	-55.9	263	237.90	Historic	202.0	210.0	8.0	2.7
FCP0029	364434.126	9749890.057	45.521	-53.0	265.3	291.15	Historic	No Significant Result			

CENTROGOLD – CONTACT ZONE. HISTORIC RESULTS – SECTION ‘D’

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	Au g/t
GUPD0101	364054.274	9750296.690	45.167	-50.0	260.0	117.25	Historic	15.0	20.0	5.0	2.0
And							Historic	74.0	91.0	17.0	5.6
GUPD0070	364109.584	9750311.310	45.865	-50.0	260.0	185.00	Historic	107.0	125.0	18.0	5.4
GUPD0089	364159.154	9750320.320	44.700	-50.0	260.0	187.80	Historic	142.0	160.0	18.0	10.9
Incl.								153.0	157.0	4.0	29.8
GUPD0097	364207.804	9750332.440	44.159	-50.0	260.0	203.13	Historic	178.0	181.0	3.0	7.7
GUPD0073	364209.034	9750328.420	44.000	-50.0	260.0	170.73	Historic	No Significant Result			