ASX Release

ASX: AVB ('AVANCO' OR 'THE COMPANY')
16 January 2018

AVANCO ACQUIRES PANTERA PROJECT FROM VALE

The Company is pleased to announce that it has agreed terms for an option (The Option) to acquire 100% of the Pantera Copper Project (Pantera) from Vale S.A. (Vale).

Pantera is located near to Avanco's existing operations in the world class Carajás Mineral Province, Brazil and has the potential to significantly add resources, reserves and a longer-term production profile for the Company.

HIGHLIGHTS

- The Pantera[1] license extends to 9,700 hectares (approximately100km^2), 110 kilometres west of the Company's Pedra Branca Project. It is located close to excellent public infrastructure some 20 kilometres from Vale's operating Onça Puma Nickel Mine.
- High-grade copper results from historic drilling are extremely encouraging and include:

PKC-PANT-DH00003	**26.00 m @ 2.58 % Cu from 81.00 m [2]** **including: 10.05 m @ 3.75 % Cu from 87.95 m [2]**
PKC-PANT-DH00008	**15.00 m @ 2.82 % Cu from 113.20 m [2]** **including: 6.00 m @ 5.28 % Cu from 120.00 m [2]**
PKC-PANT-DH00014	**59.00 m @ 1.36 % Cu from 172.90 m [2]** **including: 10.90 m @ 3.62 % Cu from 221.00 m [2]** **and: 29.40 m @ 2.10 % Cu from 261.10 m [2]** **including: 2.75 m @ 8.19 % Cu from 282.25 m [2]**

- Pantera is of typical Carajás IOCG style, comprising of predominately chalcopyrite mineralisation in tabular ore zones hosted within a steeply dipping shear zone.
- Avanco's due diligence has identified:
  - Mineralisation defined by historical drilling further to the west, along the same shear zone, **indicates the potential strike extension could exceed four kilometres**.
  - Mineralisation is **open at depth on every section**.
- An initial 5,000 metre drilling programme is currently being assessed and will begin during the first quarter of 2018, with a maiden JORC Mineral Resource to be defined.
- Substantial potential exists within the underexplored eastern side of Pantera, where massive sulphides (not seen in drilling to the west) are being mined from a small artisanal shaft. Any additional resources discovered in this area will not increase the acquisition price.

Tony Polglase, Managing Director commented: *"We are delighted to close this transaction with Vale and believe this is testament to Avanco's credibility in Brazil, ability to grow our footprint in Carajás and ultimately to significantly increase production and longevity"*

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PANTERA OVERVIEW

The world class Carajás Mineral Province, dominated by Vale, hosts the largest concentration of high tonnage IOCG projects globally. There, Vale operate some of the largest iron ore and copper mines in the world.

Management is pleased to have agreed terms with Vale for an option to acquire Pantera, representing a success leveraging off the Company's first-mover advantage status in Carajás.

Pantera fits Avanco's profile well. It is characterised with hosting high-grade copper-gold and potential to add scale and longevity. Its proximity to established infrastructure bodes well for low capital investment intensity, in many senses, similar to the Company's producing Antas Copper Mine which was developed on time and within budget.

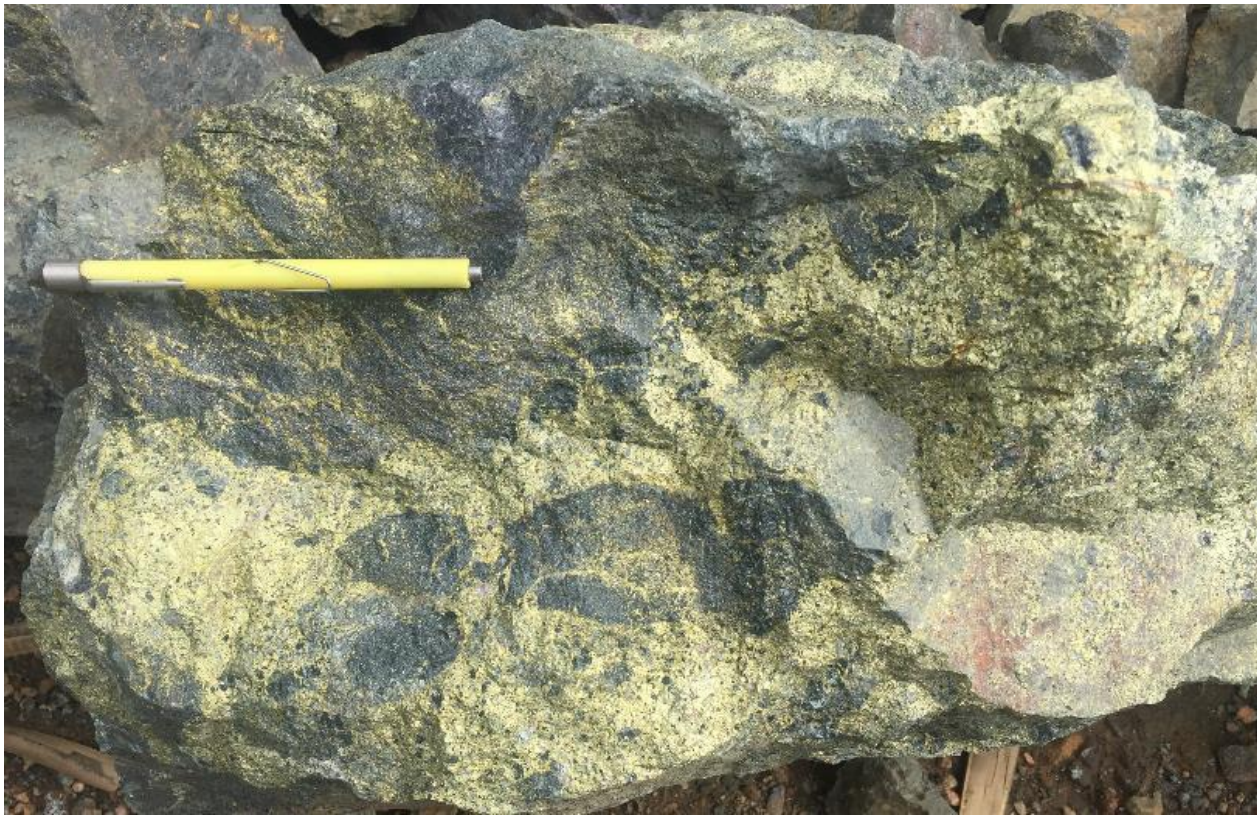
The Option valuation structure provides a fairly priced entry into a very prospective copper project located in a mining friendly jurisdiction. Terms of the agreement have been structured around the results from JORC measured and indicated mineral resources with payments spread over a number of years.

Pantera broadens the Company's exposure to copper, andss the opportunity to substantially increase copper resources, reserves and production capacity within the next five years.

This transaction required ratification by the Brazilian Development Bank (BNDES)[3] who retain a royalty interest in the project.

Because Pantera is at an early stage of exploration, the requirements for drilling, studies and permitting dictate that the Pantera development opportunity likely follows well after the Company's CentroGold and Pedra Branca projects.

Figure 1: Breccia style high-grade copper mineralisation (chalcopyrite) from Pantera



SUMMARISED TRANSACTION TERMS

- Non-refundable US$500,000 on signing of the “Pantera Acquisition Option”. (Completed)
- The Option provides Avanco the right to acquire 100% of Pantera by either:
  a) Completing 14,000 metres of drilling within two years and subsequently agreeing JORC compliant Measured and Indicated Resources hosted within the whole of the Historical Mineralised Zone*. Thereafter establishing the “Acquisition Price” calculated at $0.04/lb of contained copper**. Avanco can then exercise The Option by beginning payment of the acquisition monies to Vale. Following the exercise of The Option, beyond two years and up to five years, Avanco shall complete the drilling in the Historical Mineralised Zone and any contained copper in addition to 400,000 tonnes will incur a higher Acquisition Price based on an incremental cost of $0.06/lb of copper, or
  b) The Option can be exercised at any time (with or without drilling) by agreeing an Acquisition Price based on a non-JORC compliant estimation of 400,000 tonnes of contained copper within the Historical Mineralised Zone*, valued at US$0.04/lb of copper.
- In both cases, payment of the Acquisition Price to Vale are capped at $3 million per annum. Management estimate the acquisition cost will likely range between US$20 million and US$35 million, determined largely by the strategy adopted in a) or b) above. Consequently, it is anticipated that the payment period will be spread over a 7 to 12 years period.
- On electing to exercise The Option and making the first annual payment, Vale will transfer the mineral rights to Avanco.
- Any copper resources discovered by Avanco outside of the Historical Mineralised Zone (for example those discovered in the eastern part of the license) will not attract an increase to the Acquisition Price.
- Any future production from resources hosted outside of the Historical Mineralised Zone but within the boundaries of Pantera will be subject to a NSR royalty to Vale of 1% on copper.
- The agreement obliges Avanco to honour an underlying royalty previously assigned to BNDES of 1.5% on gross revenue.
- The Company undertakes to keep the mineral rights in good standing
- Avanco retains the right to withdraw from the transaction without penalty.

** The “Historical Mineralised Zone” is defined as the mineralised envelope outlined by Vale’s drilling and as verified by Avanco’s Competent Person.*
*** The calculation of the Acquisition Price does not include inferred resources.*

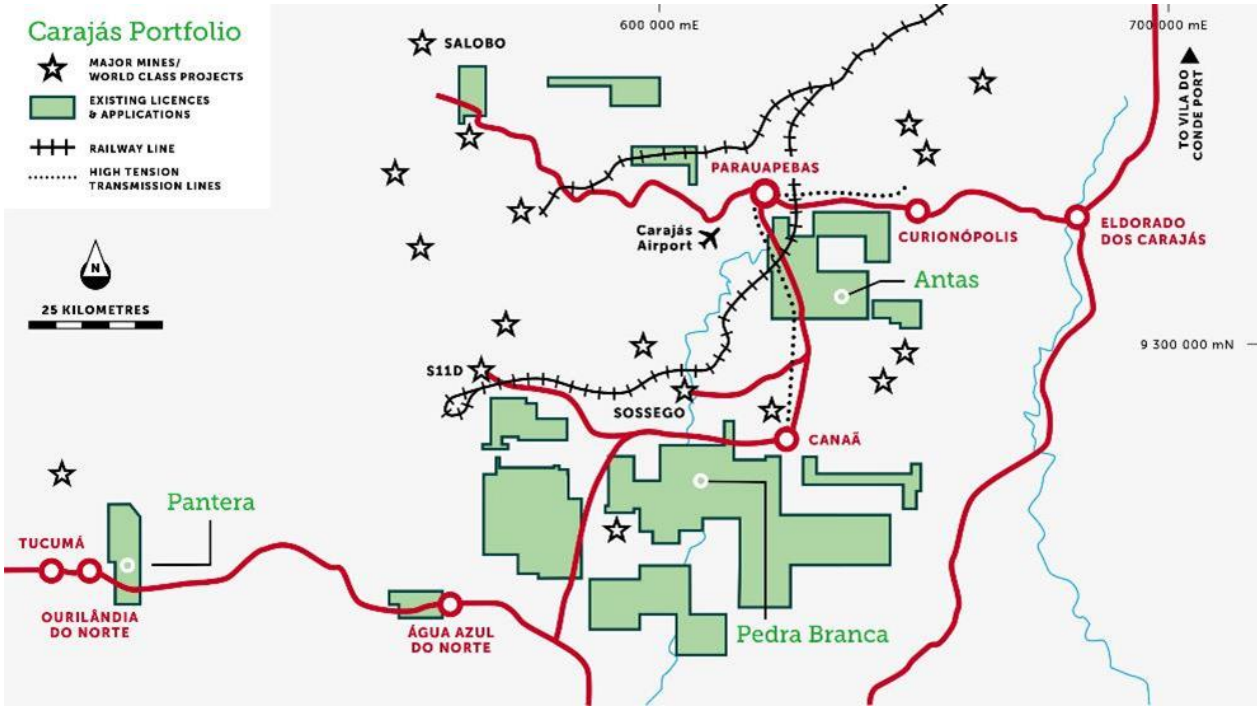
PROJECT BACKGROUND

The 9,700 hectare Pantera project is located in the south-east of the State of Pará near the towns of Ourilândia do Norte and Tucumã. It is accessed via paved roads.

From a local perspective, the project is situated only 110 kilometres west of the Company's Pedra Branca Project, or 12 kilometres east of the established mining town of Tucumã, which supports the nearby Onça Puma Nickel Mine.

During recent exploration, Vale identified the principal area of interest at the western side of the Pantera lease. Vale completed 17 diamond drill holes on 200 metre spaced sections, and subsequently defined 1.5 kilometres of continuous mineralisation. To the east, a further two diamond drill holes have intersected weaker mineralisation along the same shear zone, on the other side of a low-lying area yet to be explored. Indications are that the Pantera shear zone and associated mineralisation has potential upside to four kilometres of strike.

Figure 2: Avanco's Carajás Portfolio, with Pantera in south-east corner



GEOLOGY

Pantera is interpreted as IOCG style, comprising of steeply dipping tabular ore zones of predominantly copper (chalcopyrite rich with lesser bornite), and minor gold mineralisation.

Like other Neoarchean to Paleoproterozoic IOCG deposits in the southern portion of the Carajás, Pantera is associated with the WNW-ENE Canaã dos Carajás shear zone. Pantera is principally hosted by an intrusive granodiorite body.

At a deposit scale, the orientation of mineralisation parallels that of multiple shear zones within the host granitoid, which has been subject to pervasive hydrothermal alteration. Shear zones are typified by biotite-quartz schists, sericite schists and feldspathic schists and mylonitisation.

Primary mineralisation assemblages are dominated by chalcopyrite, lesser bornite, pyrite and pyrrhotite, and present as breccia style, massive sulphide and intense stock work mineralisation.

Figure 3: Stockwork style copper mineralisation (chalcopyrite and bornite) from Pantera

MINERALISATION

Mineralisation and hydrothermal alteration at Pantera are associated with two distinct events. The first event was responsible for an initial stage of sodium-calcium alteration, whose intensity varies from moderate to pervasive, distal to proximal to mineralisation, forming mainly albite and actinolite. This stage was followed by calcium alteration, which formed abundant actinolite and apatite, evolving to a ferric-calcium alteration with magnetite and coarse-grained actinolite. Mineralisation associated with the first event occurs as networks of interconnected veins and hydrothermal breccias. Moreover, veins are filled by chalcopyrite and pyrite associated with magnetite and hydrothermal gangue minerals, such as albite, quartz, scapolite, epitope, actinolite, hastingsite, and chlorite. In the hydrothermal breccias, there is a predominance of chalcopyrite in the matrix, associated with magnetite and recrystallized quartz.

The second hydrothermal event overlaps the first and begins with potassium-silica alteration, which is developed more often in mylonitic zones, developing foliation and replacing actinolite with biotite and hastingsite. Mineralisation from the second hydrothermal event is disseminated along the mylonitic foliation, and also present as hydrothermal breccia. Mineralisation is again composed mainly by chalcopyrite and secondarily by pyrite, as well as gold associated with magnetite. Hydrothermal breccias are dominated by chalcopyrite in the matrix with some pyrite and bornite, associated with coarse-grained magnetite and hydrothermal minerals such as biotite, albite, hastingsite and apatite.

Figure 4: Massive chalcopyrite hoisted from a small 20m deep artisanal shaft (eastern side of Pantera)

TENURE

Pantera is wholly contained within a single exploration licence of approximately 9,700ha. To maintain the area in good standing Avanco will prepare and submit the "final exploration report" to the regulatory authorities on behalf of Vale in March 2018. Thereafter the Company will seek the grant of a mining licence, by following the same permitting process as is underway at Pedra Branca.

MINING

Mineralisation at Pantera comes close to surface, with fresh sulphide mineralisation below the base of oxidation present at less than 20 metres from surface. Saprolite cover should be largely free-dig, with conventional drill and blast required to extract the underlying transition/fresh rock.

Management believes that the project presents few technical challenges for establishing an open pit operation, from which management believes there is a high likelihood of continuing into an underground operation.

METALLURGY

The Pantera project is at an exploration or pre-resource stage. While metallurgical testwork is underway, management considers that this typical Carajás IOCG style of mineralisation is very similar to Antas and Pedra Branca, therefore, Pantera is highly likely to be very amenable to beneficiation by conventional froth flotation.

INFRASTRUCTURE

The project benefits significantly from its location in the mining friendly Carajás Region. Pantera is very close to two towns that share an all-weather airstrip and support Vale's Onça Puma Nickel Mine operations. Paved roads, grid electrical power and water are all within a few kilometres of Pantera.

TONY POLGLASE
MANAGING DIRECTOR

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Competent Persons Statement

The information in this report that relates to Exploration Targets and 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.

1. *The style of mineralisation at Pantera is Iron Oxide Copper Gold (IOCG), typical of that found in the Carajás Province of Brazil, and well documented in respected geological texts*

2. *Widths and depths are downhole*

3. *The **National Bank for Economic and Social Development** (Portuguese: Banco Nacional de Desenvolvimento Econômico e Social, abbreviated: **BNDES**) is a federal public company associated with the Ministry of Development, Industry, and Trade of Brazil. The stated goal is to provide long-term financing for endeavors that contribute to the country's development. BNDES is one of the largest development banks in the world (after the Chinese Development Bank, which boasts assets of around RMB 7.52 trillion, or around $1.2 tn). Its non-performing loan ratio is also less favorable (2.2%) compared to the CDB's that stands below 1%.*

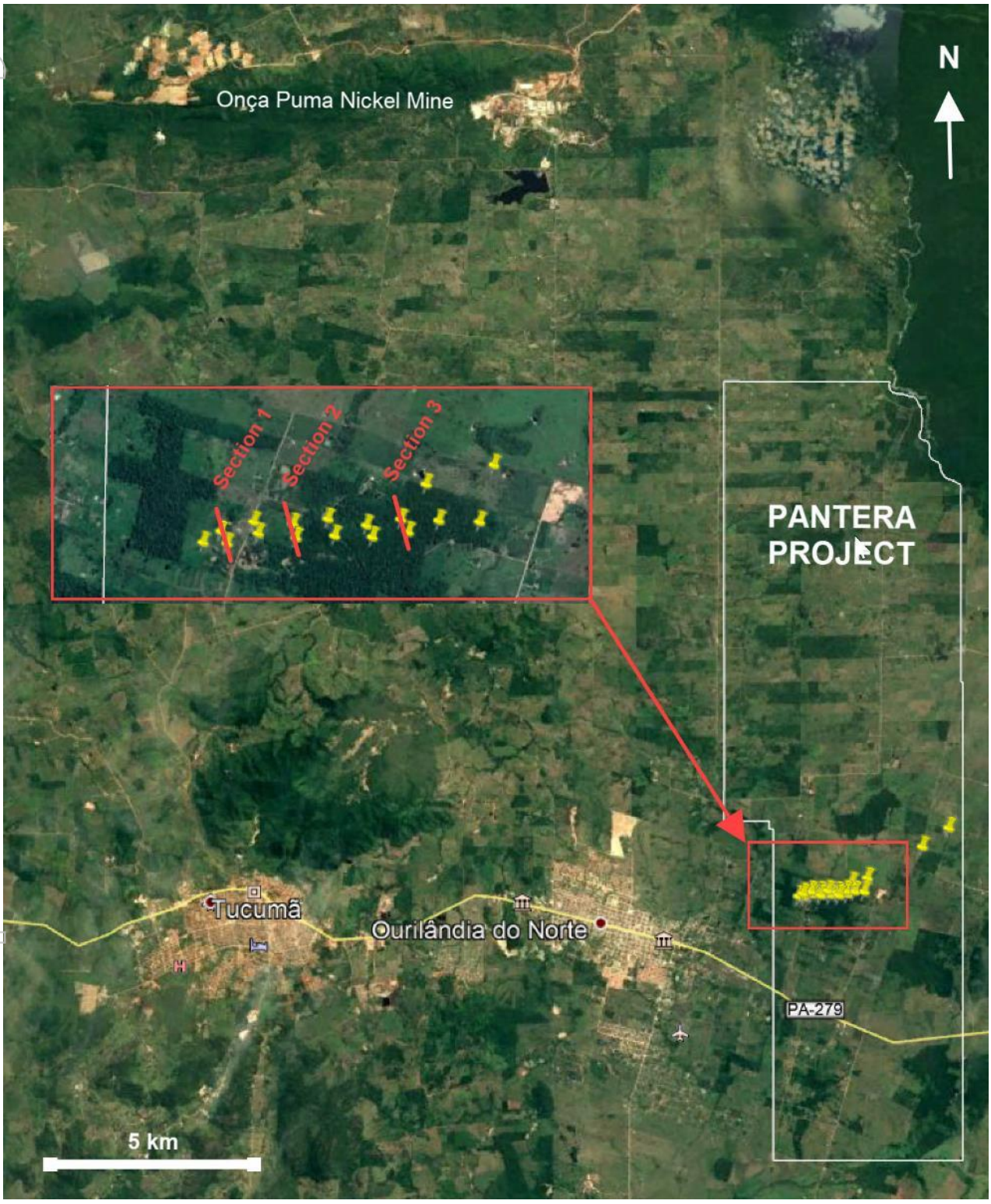
   Among the objectives of BNDES are the strengthening of the capital structure of private companies, the development of capital markets, the trading of machines and equipment and the financing of exports.

   Since its establishment on June 20, 1952, BNDES has financed large-scale industrial and infrastructure endeavors, and has played a significant role in the support of investments in agriculture, commerce and the service industry, as well as in small and medium-sized private businesses, even though its focus lies on larger firms.[2] The bank has supported social investments aimed at education and health, family agriculture, basic sanitation and mass transportation.

   The bank offers financial support lines and programs to companies of any size and sector that have been set up in the country. The partnership with financial institutions with agencies established around the country facilitates the dissemination of credit, enabling greater access to BNDES's financial services.

   The BNDES has three integral subsidiaries: FINAME, BNDESPAR and BNDES Limited. Together, the three companies comprise the BNDES System. Source: Wikipedia

Figure 5: Location of the Pantera Project in the Carajás



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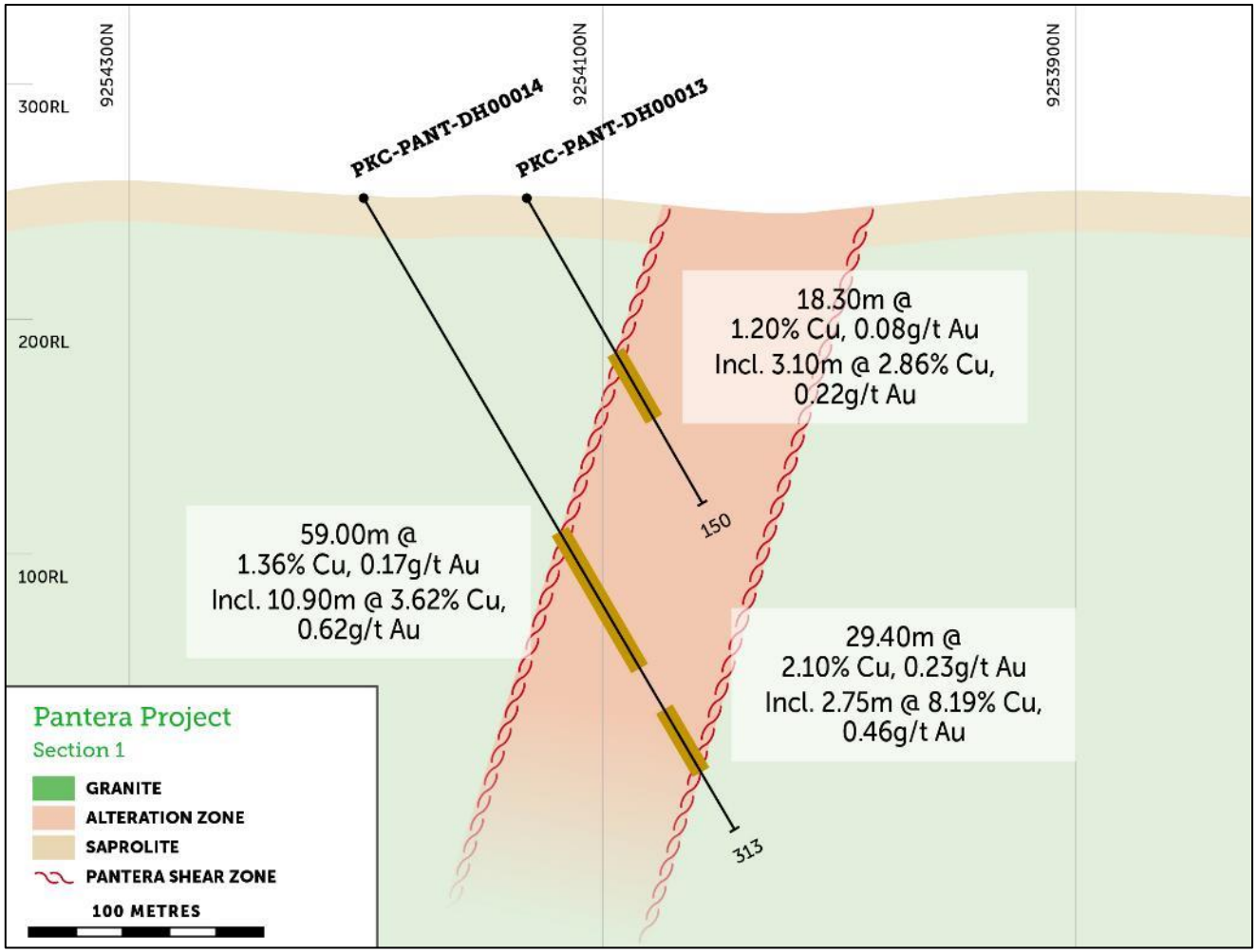

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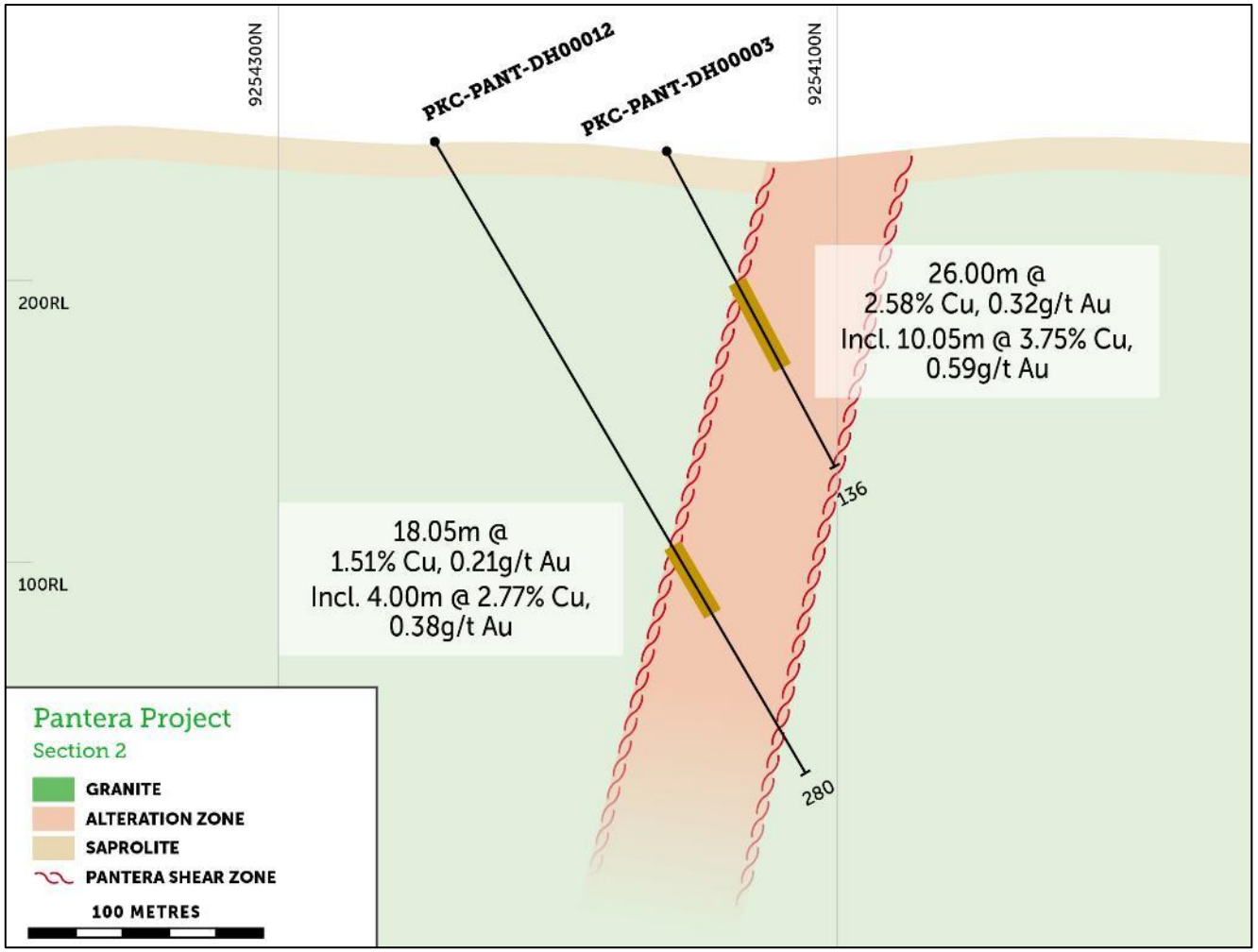

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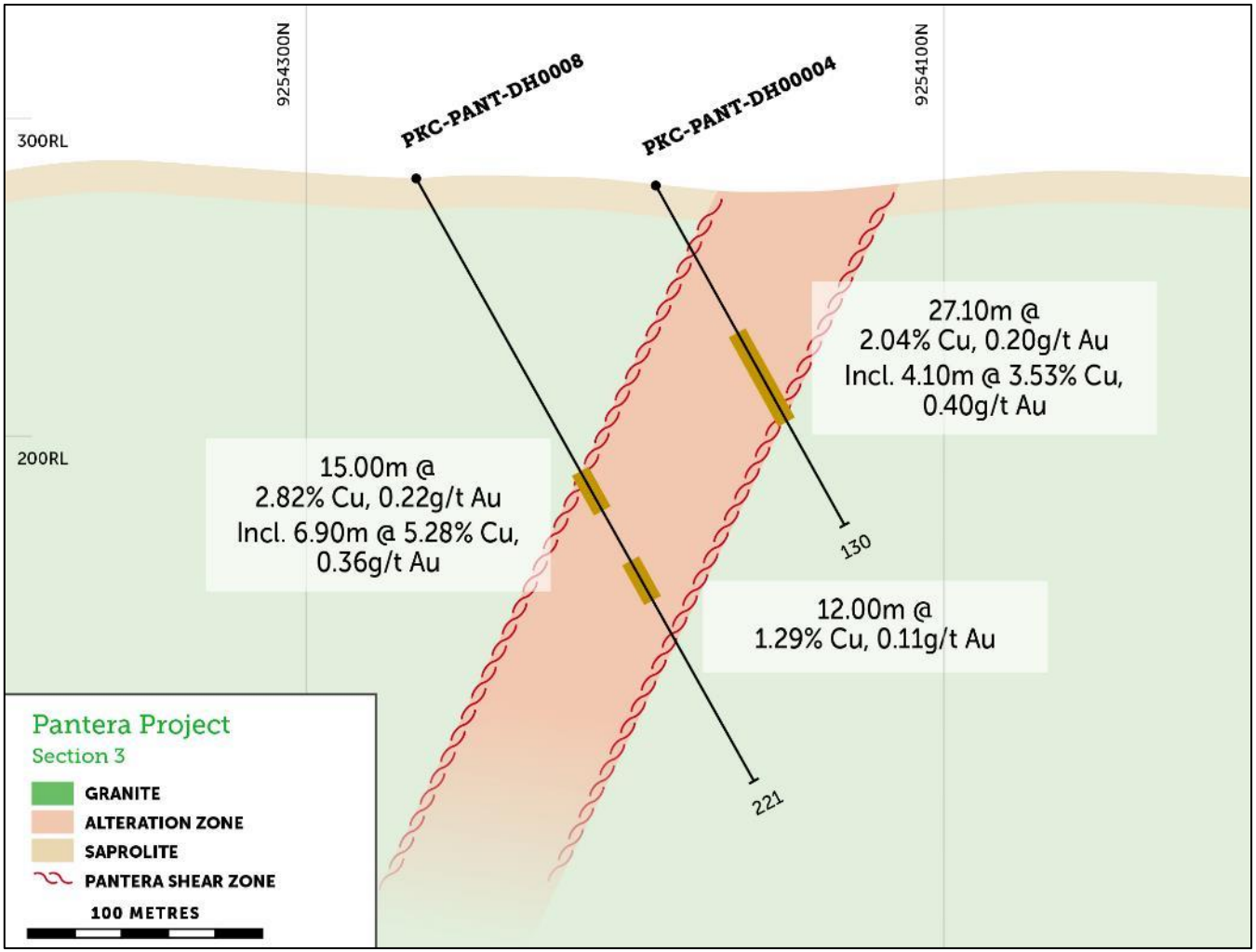

PANTERA – Historical Drilling Results

Hole ID	UTM-E	UTM-N	RL (m)	Depth (m)	Dip	Az	Status	From (m) Downhole Depth	To (m) Downhole Depth	Width (m) Downhole Depth	Cu (%)	Au (g/t)
PKC-PANT-DH00001	496949.504	9254272.118	255.045	350.40	-60	160	Historic	306.00	326.00	20.00	1.02	0.04
PKC-PANT-DH00002	497173.291	9254232.466	269.174	287.25	-60	160	Historic	**90.20**	**99.80**	**9.60**	**2.81**	**0.28**
PKC-PANT-DH00003	496768.187	9254163.255	251.671	136.20	-60	160	Historic	**81.00**	**107.00**	**26.00**	**2.58**	**0.32**
Including								**87.95**	**98.00**	**10.05**	**3.75**	**0.59**
PKC-PANT-DH00004	497412.195	9254193.158	285.024	129.50	-60	160	Historic	**59.00**	**86.10**	**27.10**	**2.04**	**0.20**
Including								**82.00**	**86.10**	**4.10**	**3.53**	**0.40**
PKC-PANT-DH00005	497586.842	9254258.493	292.773	191.75	-60	160	Historic	139.10	148.10	9.00	1.16	0.10
PKC-PANT-DH00006	497512.720	9254467.105	276.931	329.00	-60	160	Historic	*245.00*	*255.00*	*10.00*	*0.67*	*0.00*
PKC-PANT-DH00007	496989.351	9254174.666	261.603	234.40	-60	160	Historic	*86.20*	*93.80*	*7.60*	*1.02*	*0.06*
And								***104.80***	***110.80***	***6.00***	***2.09***	***0.16***
PKC-PANT-DH00008	497369.502	9254266.937	283.151	220.50	-60	160	Historic	***113.20***	***128.20***	***15.00***	***2.82***	***0.22***
Including								***120.00***	***126.00***	***6.00***	***5.28***	***0.36***
And								*136.00*	*148.00*	*12.00*	*1.29*	*0.11*
PKC-PANT-DH00009	496551.398	9254187.931	252.087	252.55	-60	160	Historic	*27.85*	*38.00*	*10.15*	*1.12*	*0.01*
And								***72.60***	***83.40***	***10.80***	***2.34***	***0.31***

PANTERA – Historical Drilling Results

Hole ID	UTM-E	UTM-N	RL (m)	Depth (m)	Dip	Az	Status	From (m) Downhole Depth	To (m) Downhole Depth	Width (m) Downhole Depth	Cu (%)	Au (g/t)
And								***103.10***	***125.50***	***22.40***	***1.60***	***0.19***
Including								***119.50***	***122.50***	***3.00***	***3.35***	***0.78***
PKC-PANT-DH00010	497899.893	9254578.932	273.908	167.50	-60	160	Historic	30.85	43.35	12.50	1.14	0.06
PKC-PANT-DH00011	499237.182	9255331.201	274.128	172.05	-60	160	Historic	114.3	116.3	2.00	1.70	0.00
PKC-PANT-DH00012	496750.392	9254242.564	250.908	279.70	-60	160	Historic	190.25	208.30	18.05	1.51	0.21
								198.25	**202.25**	**4.00**	**2.77**	**0.38**
PKC-PANT-DH00013	496373.456	9254131.002	250.812	149.75	-60	160	Historic	85.70	104.00	18.30	1.20	0.08
								97.70	**100.80**	**3.10**	**2.86**	**0.22**
PKC-PANT-DH00014	496336.852	9254200.879	252.539	313.15	-60	160	Historic	**172.90**	**231.90**	**59.00**	**1.36**	**0.17**
Including								**221.00**	**231.90**	**10.90**	**3.62**	**0.62**
AND								**261.10**	**290.50**	**29.40**	**2.10**	**0.23**
Including								**282.25**	**285.00**	**2.75**	**8.19**	**0.46**
PKC-PANT-DH00015	496526.328	9254254.470	253.654	308.65	-60	160	Historic	**139.80**	**218.00**	**78.20**	**1.10**	**0.07**
Including								**160.00**	**171.80**	**11.80**	**1.82**	**0.20**
Including								**210.45**	**214.25**	**3.80**	**2.93**	**0.04**

PANTERA – Historical Drilling Results

Hole ID	UTM-E	UTM-N	RL (m)	Depth (m)	Dip	Az	Status	From (m) Downhole Depth	To (m) Downhole Depth	Width (m) Downhole Depth	Cu (%)	Au (g/t)
PKC-PANT-DH00016	497206.186	9254165.762	279.411	107.90	-60	160	Historic	**37.00**	**50.65**	**13.65**	**1.81**	**0.24**
PKC-PANT-DH00017	497818.821	9254252.311	276.652	140.05	-60	160	Historic	79.00	87.50	8.50	1.03	0.07
PKC-PANT-DH00018	496236.526	9254137.326	253.513	260.20	-60	160	Historic	214.45	228.50	14.05	0.91	0.02
PKC-PANT-DH00019	499880.584	9255784.135	269.713	220.35	-60	160	Historic	85.00	86.00	1.00	0.87	0.01

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 were surveyed with a DGPS instrument, and surveyed (centimetre precision) after completion. Drill samples are logged for lithology, weathering, structure, mineralogy, mineralisation, colour and other features. It is the view of Avanco's CP that this work and the subsequent results are of adequate quality to assure the reliability of historical work.
	• *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 at intervals ranging from 0.75 to 1.25 m in mineralised zones, and up to 2 m in barren zones. Core is cut in half to produce sample weights of 3–5 kg. 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 Ag, Al, As, Ba, Be, Bi, Ca, Cd, Ce, Co, Cr, Cs, Cu, Fe, Ga, Ge, Hf, In, K, La, Li, Mg, Mn, Mo, Na, Nb, Ni, P, Pb, Rb, Re, S, Sb, Sc, Se, Sn, Sr, Ta, Te, Th, Ti, Tl, U, V, W, Y, Zn e Zr. (ICP) and Au (Fire Assay, 50 g). Mineralised zones and samples with >2,000 ppm Cu are further analysed for "Ore Grade" Cu by Atomic Absorption Spectrometry (AAS). It is the view of Avanco's CP that this work and the subsequent results are of adequate quality to assure the reliability of historical work.

Criteria	JORC Code explanation	Commentary
Drilling techniques	• *Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (e.g. core 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).*	• Diamond drilling is a combination of HQ and NQ. Core is reconstructed into continuous runs on an angle iron cradle orientation device.
Drill sample recovery	• *Method of recording and assessing core and chip sample recoveries and results assessed.*	• Diamond core recoveries were logged and recorded in the database. Overall recoveries are consistently >80% 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. It is the view of Avanco's CP that this work and the subsequent results are of adequate quality to assure the reliability of historical work, and that the level of detail and quality of the work is appropriate to support future studies.
	• *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.*	• Drill samples are logged for lithology, weathering, structure, 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 completely 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. It is the view of Avanco's CP that this work and the subsequent results are of adequate quality to assure the reliability of historical work.
	• *Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.*	• An industry standard QAQC programme has been used, 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. It is the view of Avanco's CP that this work and the subsequent results are of adequate quality to assure the reliability of historical work.
	• *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 20 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.

Criteria	JORC Code explanation	Commentary
	• *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 laboratory tests	• *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 (48 elements) and atomic absorption which are a standard industry methods for Base and Precious metals analysis. The acids used are hydrofluoric, nitric, perchloric and hydrochloric acids, suitable for silica 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.*	• None have been used.
	• *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.*	• 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 has been used. It is the view of Avanco's CP that this work and the subsequent results are of adequate quality to assure the reliability of historical work.
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 have visually verified significant intersections and results in the historical drilling.
	• *The use of twinned holes.*	• The Company uses twin holes routinely in the more advanced stages of resource definition drilling, and for metallurgical drilling. Historic work is of an exploratory nature and no twin holes have been completed so far.
	• *Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.*	• Primary data was collected on Excel templates with detailed geological and structural logging recorded on paper. The historical information has been transferred, validated, complied, and managed by an in-house database manager in a Acquire database. All Company Intellectual Property is stored

Criteria	JORC Code explanation	Commentary
		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.
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 DGPS on the State Survey Datum using true Mean Sea Level RL's (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 and Digital Terrain Models are used. Accurate ground surveying of topography will be completed in later stages of exploration.
Data spacing and distribution	• *Data spacing for reporting of Exploration Results.*	• Current drilling is exploratory in nature on 200 m spaced sections. Infill drilling will follow on a nominal 100 m by 100 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.*	• Current drilling is exploratory in nature. No Mineral Resources are reported herein.
	• *Whether sample compositing has been applied.*	• Current drilling is exploratory in nature. Sample compositing has not been applied.
Orientation of data in relation	• *Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.*	• Current drilling is exploratory in nature. Drilling has been orientated to be as optimal as practicable to the known geology and mineralisation.

Criteria	JORC Code explanation	Commentary
to geological structure	• *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.*	• Avanco's CP does not believe that any sample bias has been introduced.
Sample security	• *The measures taken to ensure sample security.*	• Information regarding the chain of custody, and sample security for historical Pantera samples is not available in the currently accessible data.
Audits or reviews	• *The results of any audits or reviews of sampling techniques and data.*	• The Company's independent Resource consultants (CSA Global Pty Ltd of Perth, WA) and their CP completed a satisfactory site visit in March 2017, as part of a wider review of all projects where Mineral Resource estimates produced by them, or will be in the future. It is the view of Avanco's CP and the Company's in-house Due Diligence team, that the historical work and the subsequent results are of adequate quality to assure the reliability of this work

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.*	• Avanco Resources Mineração Ltda, a wholly owned Brazilian subsidiary of Avanco Resources Ltd., has an option to acquire 100% of exploration license 850.777/1990. Government royalties amount to a 2% gross on Cu and 1.5% gross on Au. Unless otherwise agreed a 1% Cu and 0.75% Au royalty is payable to the owner of the surface rights. Other third-party royalties amount to: 1.5% on

Criteria	JORC Code explanation	Commentary
		gross revenue payable to BNDES, and a 1% NSR to Vale for any copper production outside of the Vale Historical Mineralised Zone.
	• *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.*	• 850.777/1990 is a granted Exploration License in its second 3-year term. The licence is in good standing. To maintain the area in good standing Avanco will prepare and submit the "final exploration report" to the regulatory authorities on behalf of Vale in March 2018. Management sees no reason that the final report will not be considered acceptable and considers that the risk of tenure being compromised is very small
Exploration done by other parties	• *Acknowledgment and appraisal of exploration by other parties.*	• Avanco'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.*	• Shear zone hosted Iron Oxide Copper Gold (IOCG) breccia pipe, with mineralisation hosted within granodiorite 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.

Criteria	JORC Code explanation	Commentary
	• *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 0.3 % Cu 3. A maximum of 3 continuous metres of internal dilution (<0.3% Cu) 4. A top-cut of 20% Cu
	• *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. Examples of this exist in the table of drilling results contained in this report.
	• *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.*	• Mineralisation at Pantera is comprised of tabular ore zones hosted within a steeply dipping shear zone.
	• *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').*	• Downhole lengths have been used and this is 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*	• An appropriate location plan has been included, which also shows the location of representative sections also included in this report.

Criteria	JORC Code explanation	Commentary
	hole collar locations and appropriate sectional views.	
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.*	• Results from all 19 historical drill holes completed to date have been included in this report.
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 substances.*	• All material and meaningful 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, lacking in this report
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).*	• Current drilling is exploratory in nature. Future work will consist of in-fill drilling in addition to step-out and drilling at depth to test extensions.
	• *Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.*	• An appropriate location plan has been included, which also shows the location of representative sections also included in this report. Sections show the known potential for extension at depth.