

THE AUSTRALIAN COPPER COMPANY IN BRAZIL



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○
Investor Update

**Tony Polglase Managing Director and
Simon Mottram Exploration Director**

Oct 2017



○ This presentation may contain certain forward-looking statements. Words such as ‘anticipate’, ‘believe’, ‘expect’, ‘forecast’, ‘estimate’, ‘likely’, ‘intend’, ‘should’, ‘could’, ‘may’, ‘target’, ‘plan’, ‘potential’ and other similar expressions are intended to identify forward-looking statements. Indication of, and guidance on, future costings, earnings and financial position and performance are also forward-looking statements.

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All dollar figures are US Dollars unless otherwise stated.

Avanco Overview

The right commodities and geography at the right time

- Focused on copper and gold
- Established producer
- Brazil focused, over a decade in country
- Proven track record, from exploration discovery, development and production
- Large copper and gold growth portfolio
- Growing cash position
- No debt



Corporate

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Vern Tidy
Interim Chairman

Financial and audit
BComm, CA



Tony Polglase
CEO

Metallurgical Engineer
BEng



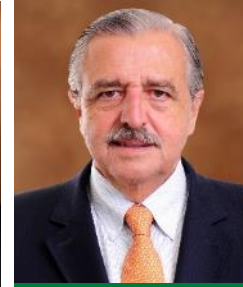
Luis Azevedo
Exec, Legal

Resources lawyer
BSc, MA



Simon Mottram
Exec, Exploration

Geologist
BSc, F.AusIMM



Luiz Ferraz
NED

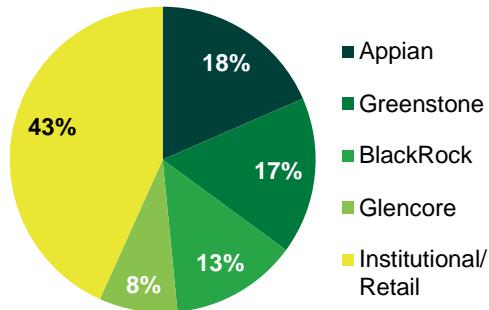
Resource financier
BA



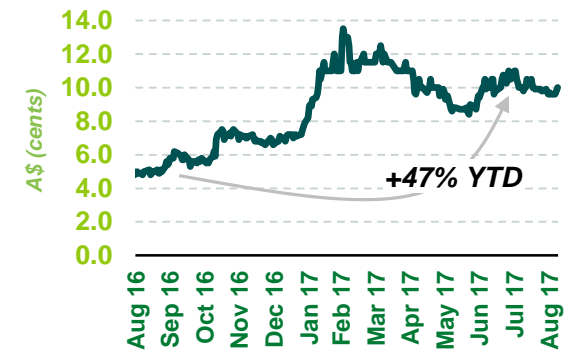
Paul Chapman
NED

Resource entrepreneur
BA, CA

Shareholders



Issued Shares	2,457 million
Options	192 million
52 week range	A\$0.048 - \$0.135
Market cap at A\$0.094	AU\$ 231 million
Cash (30 Jun 17)	US\$ 26.3 million
Debt	\$0



Portfolio Snapshot

Antas Copper - Gold operation (100%)

- Second year of commercial production
- On track to meet annual guidance
- Generating healthy margins and cash flow
- Exploration to grow mine life and production

Pedra Branca Copper - Gold development project

- Robust PFS recently released
- DFS incorporating enhancements on track for completion 2Q 2018
- Permitting process well advanced - first production likely mid-2020

CentroGold development project (100%)

- 100% ownership accelerated
- Opportunity to fast track production, currently targeting end 2019
- Options being considered to realise value sooner



Brazil Attributes

Strong mining heritage, Pro-mining administration, superb mineral endowment and limited competition

- Corporate Tax 15.25% in Northern States, including Pará and Maranhão under SUDAM regime
- Favourable Royalty regime: 2% on Copper, 2% on Gold
- Mining Code being modernised
 - Changes to improve land turnover and encourage genuine explorers
 - Approval/Permitting process being streamlined
 - Changes to contract and labour laws will improve efficiency and reduce costs
- Living and Operating in country is the key to our success
 - Integration, language, culture, legal framework – have learnt how to do business in country
- Opportunities in the Carajas
 - Our operating presence in the Carajás, next door to Vale SA
 - Avanco second largest tenement holder in Carajás after Vale SA

Strategic plan

To leverage off the established presence in Brazil to build a well managed, respected, mid-tier copper and gold company

- Focus on quality copper and gold projects in Brazil
- Optimising Antas and evaluate near-mine and regional exploration to establish Antas as a long-term, efficient, cash-generating asset
- Fast track CentroGold to deliver near term production and earnings growth
- Optimise and improve development parameters at Pedra Branca
- Focus on exploration and low cost M&A opportunities to continue growing production and allow Avanco to emerge as a genuine mid-tier copper-gold producer at the right time in the cycle
- Maintain a conservative balance sheet

Antas Mine Summary

World's 5th highest grade open pit copper mine

Safety

- Lost Time Injury Frequency Rate (LTIFR) remains at zero (end June 2017: 2,137,817 man-hours).

Production

- Annual guidance for 2017:
 - 13,500-14,000t Copper (tracking +1% at mid-year)
 - 9,750-10,500oz Gold (tracking +9% at mid-year)
- 1H 2017 record material mined and tonnes processed

Cash Costs

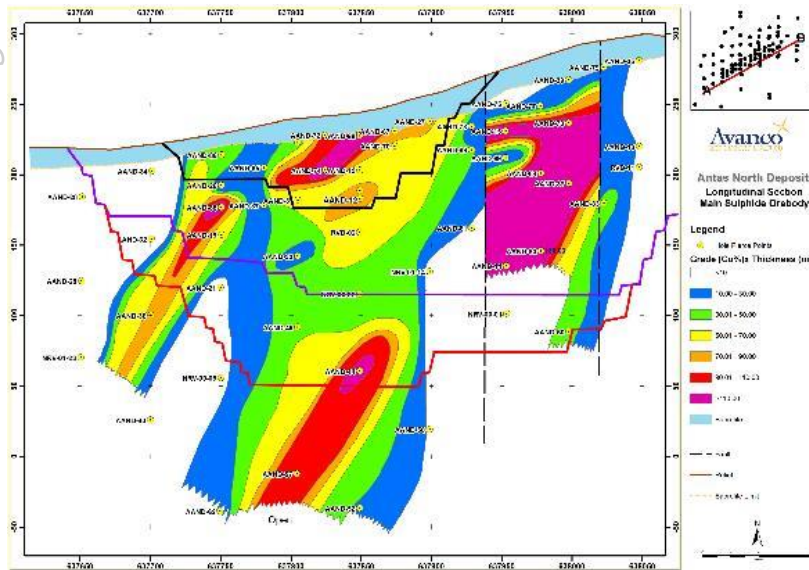
- Focus on improving cash costs through end of 2017
- Average first half C1 cost US\$1.49/lb Cu compared to guidance US\$1.35-1.50/lb (June month \$1.36/lb)
- Program of mining, processing, transport and general cost efficiencies/savings in place

Outlook

- Confident of achieving annual production targets
- Improving cash costs due to cost saving initiatives and improved mining metrics
- Drilling programs ongoing, opportunity for life extension and production growth
- Regional exploration targeting satellite ore sources to be processed at Antas

Antas Open Pit

Infill and Extensional Drilling Programme



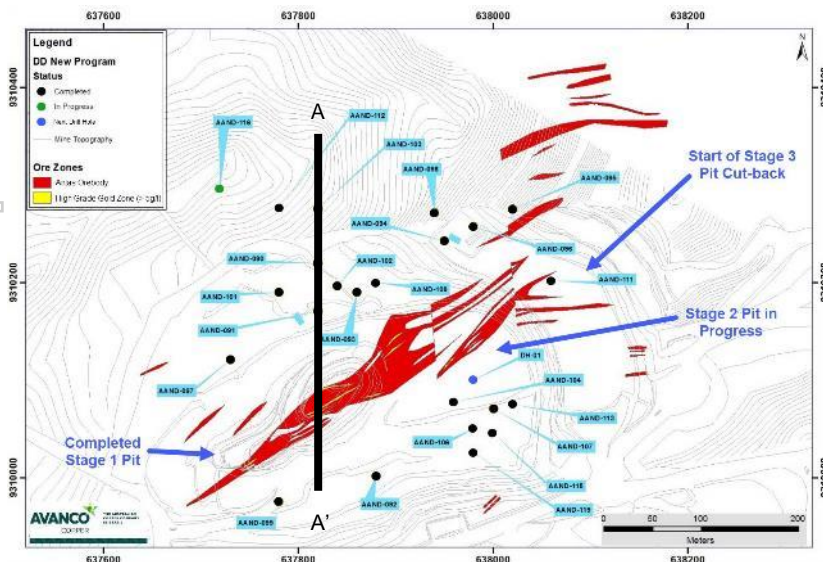
Completed 5,000m Drill Programme for Resource/Reserve Upgrade



Resource Update (Underway)
Pit Optimisation and Design Update
JORC Reserves Reporting and Classification
Timing: complete by year end



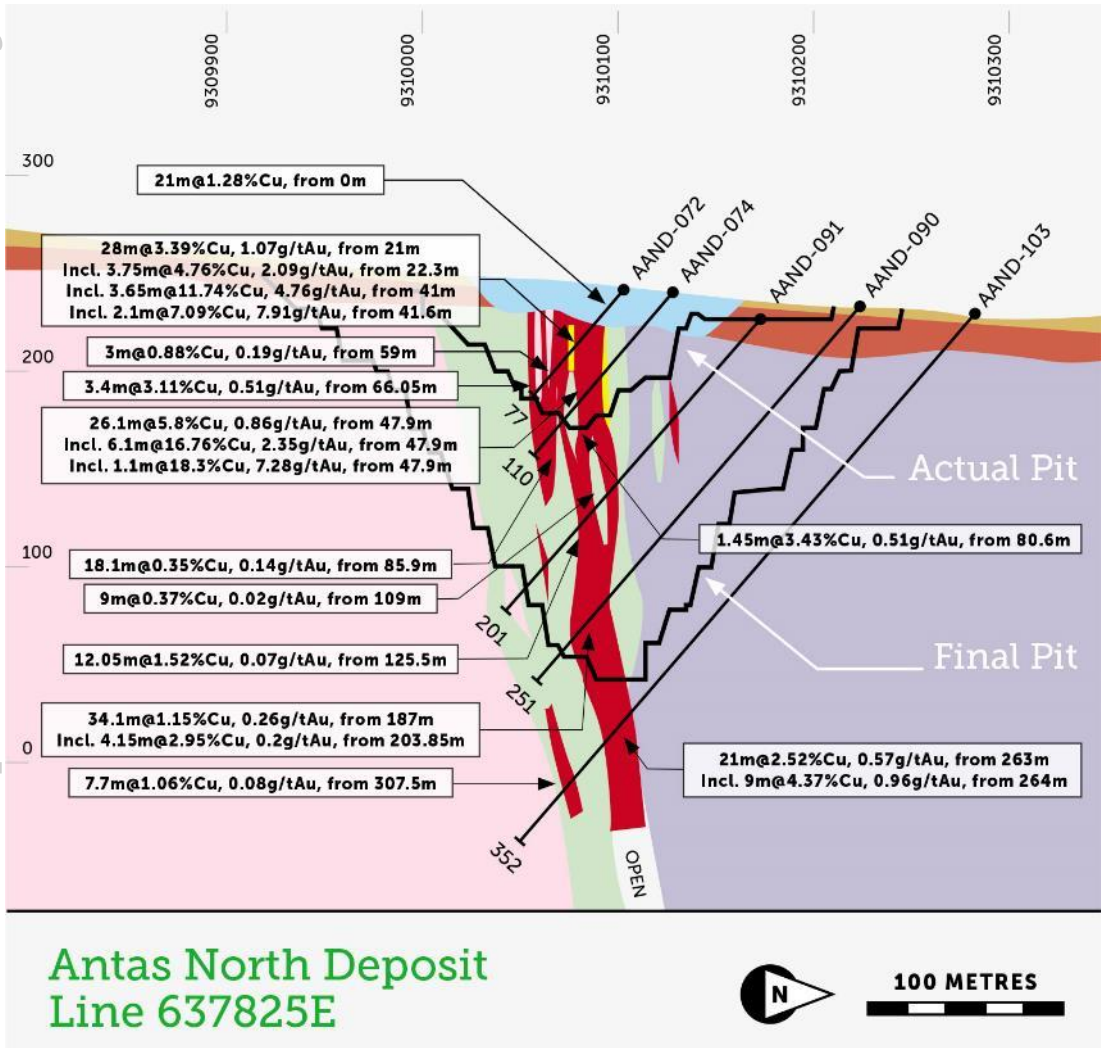
Trade-off study of larger open pit versus underground
Drilling for underground resources
Rationalise pit development/reserves versus underground development/reserves



Antas Open Pit

Cross Section A-A'

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CentroGold Overview

One of the largest undeveloped gold projects in Brazil



- Maranhão on the border with Pará, 26km from town of Centro Novo
- Close to skilled labour and existing infrastructure including sealed roads, power, water
- Contiguous 140,000Ha of tenements, 75 kilometre long prospective and under-explored greenstone belt
- Project well known to AVB management
- Extensive drilling, metallurgy, geotechnical and mining studies completed by previous owners
- Re-focus on low capex, high grade project gold project

Accelerated Transaction for CentroGold

Realises Project value sooner than original earn-in agreement

- \$4.0m for 100% control and ownership
 - \$2.0m on signing; and
 - \$2.0m on the transfer of title, (Q4 2017)
- \$5.0m in ten \$500,000 monthly instalments after permitting resolved
- NSR payable on gold production to Jaguar of up to:
 - 1% on the first 500,000oz
 - 2% between 500,000 and 1,500,000oz
 - 1% over 1,500,000oz
- Avanco to assume historical third party NSR payments amounting to 1.75%
- Longer exploration and development timeframes for commitments, notably JORC ore reserves within 24 months and commissioning within 60 months

CentroGold resources over 1.2Moz

Resources re-cut to focus on higher-grade

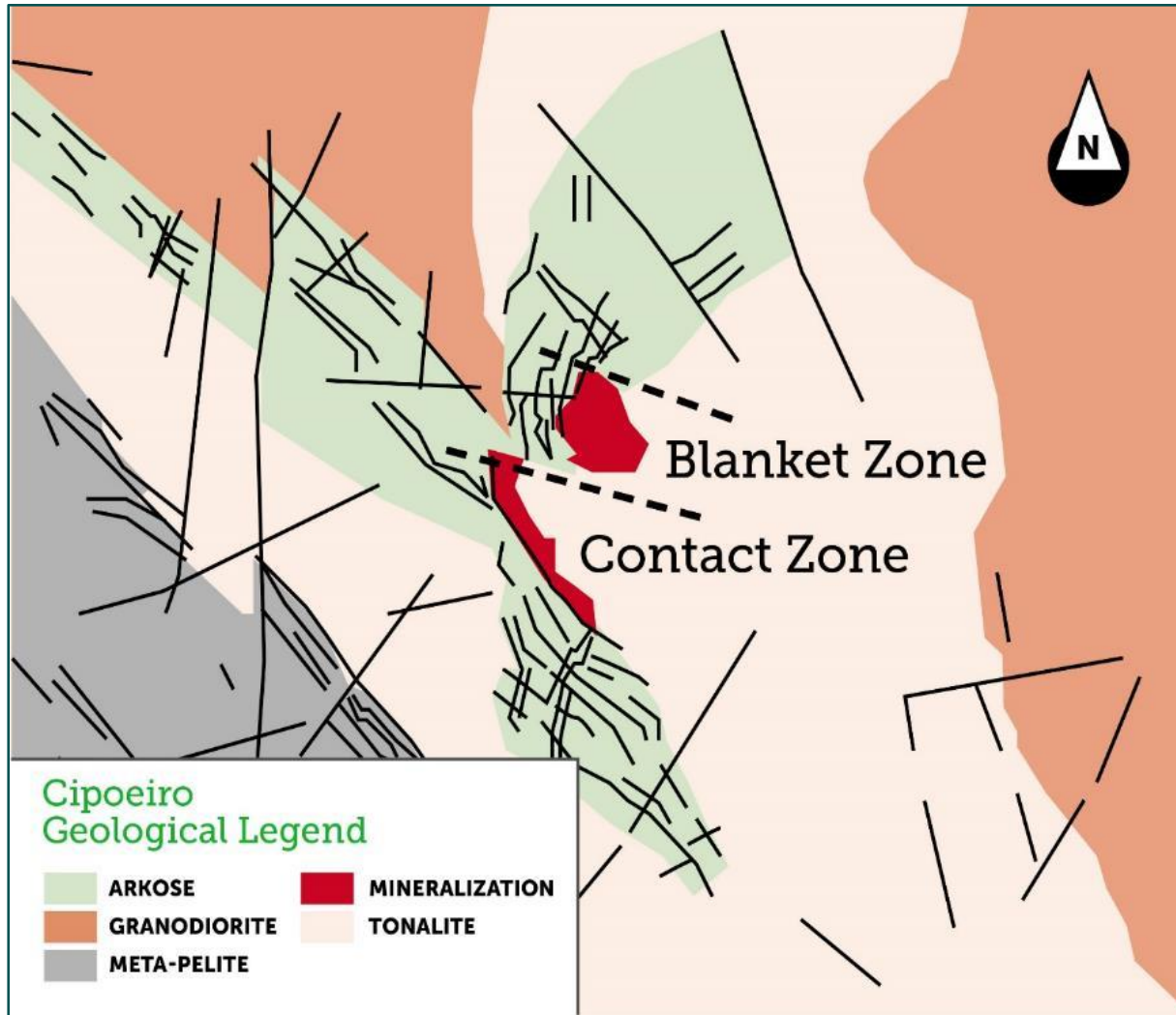
- Historical studies focussed on a low-grade high-tonnage operation
- Avanco envisages a higher-grade, modest sized and less capital intensive project
- Two deposits: Cipoeiro and Chega Tudo
- Focus at Cipoeiro
- Chega Tudo maiden resource delivery in coming weeks
- Infill drilling (~5,000m) underway at Cipoeiro – two rigs with a third arriving shortly
- Primary aim to upgrade Inferred resources at Contact Zone into Indicated category
 - Higher grade Contact tonnes can then be included at front of the mining schedule
 - Indicated resources can be converted to Reserves in the ensuing PFS

CIPOEIRO	Category	Tonnes (m)	Au (g/t)	Gold (Oz)
	Indicated	2.1	2.5	168,000
Contact Zone	Inferred	5.9	2.2	424,000
	Total	8.0	2.3	592,000
	Indicated	10.8	1.7	597,000
Blanket Zone	Inferred	1.4	2.2	97,000
	Total	12.2	1.8	694,000
		20.2	2.0	1,286,000

CentroGold

Cipoeiro (Blanket and Contact Zones)

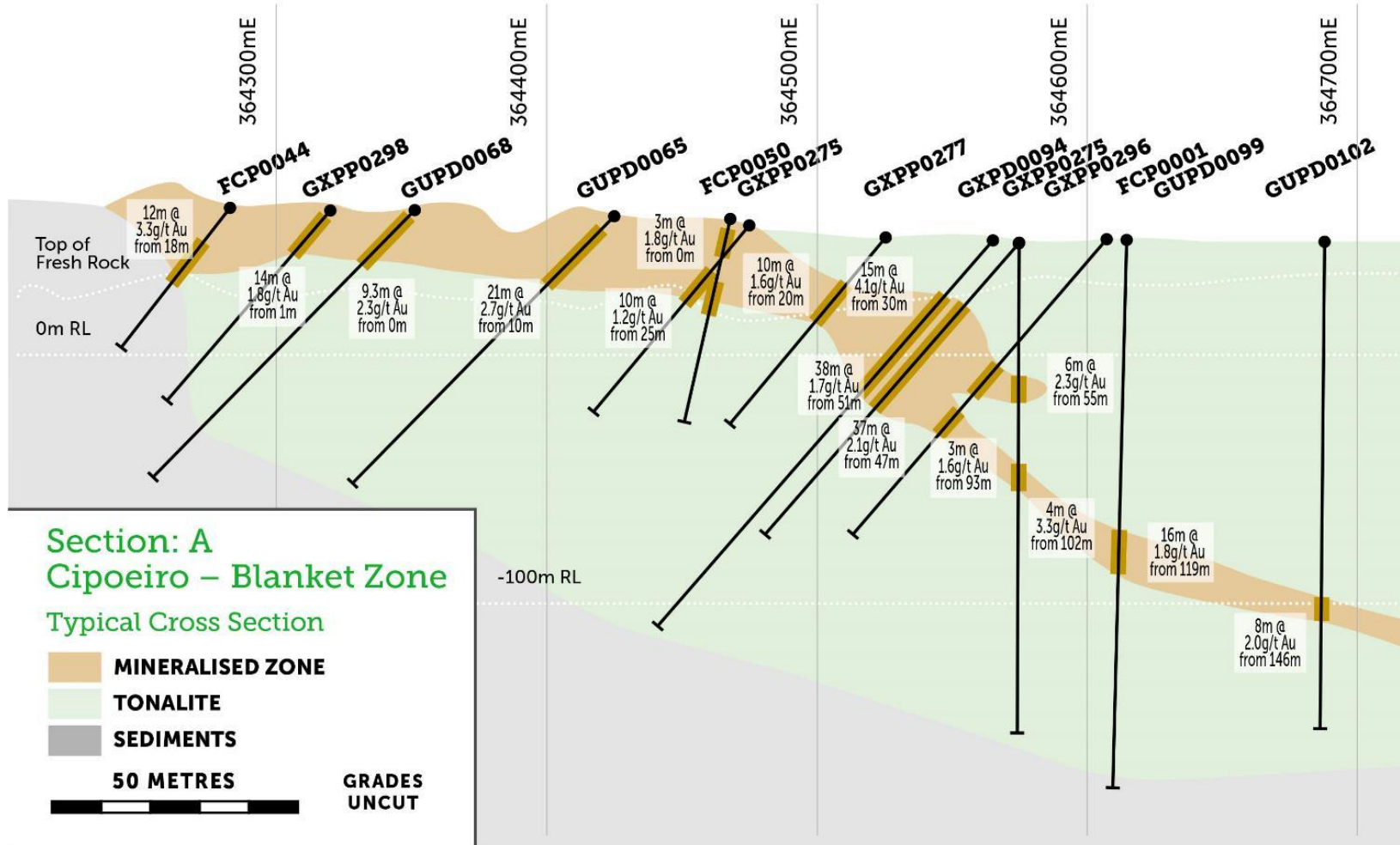
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CentroGold

Cipoeiro - Blanket Zone

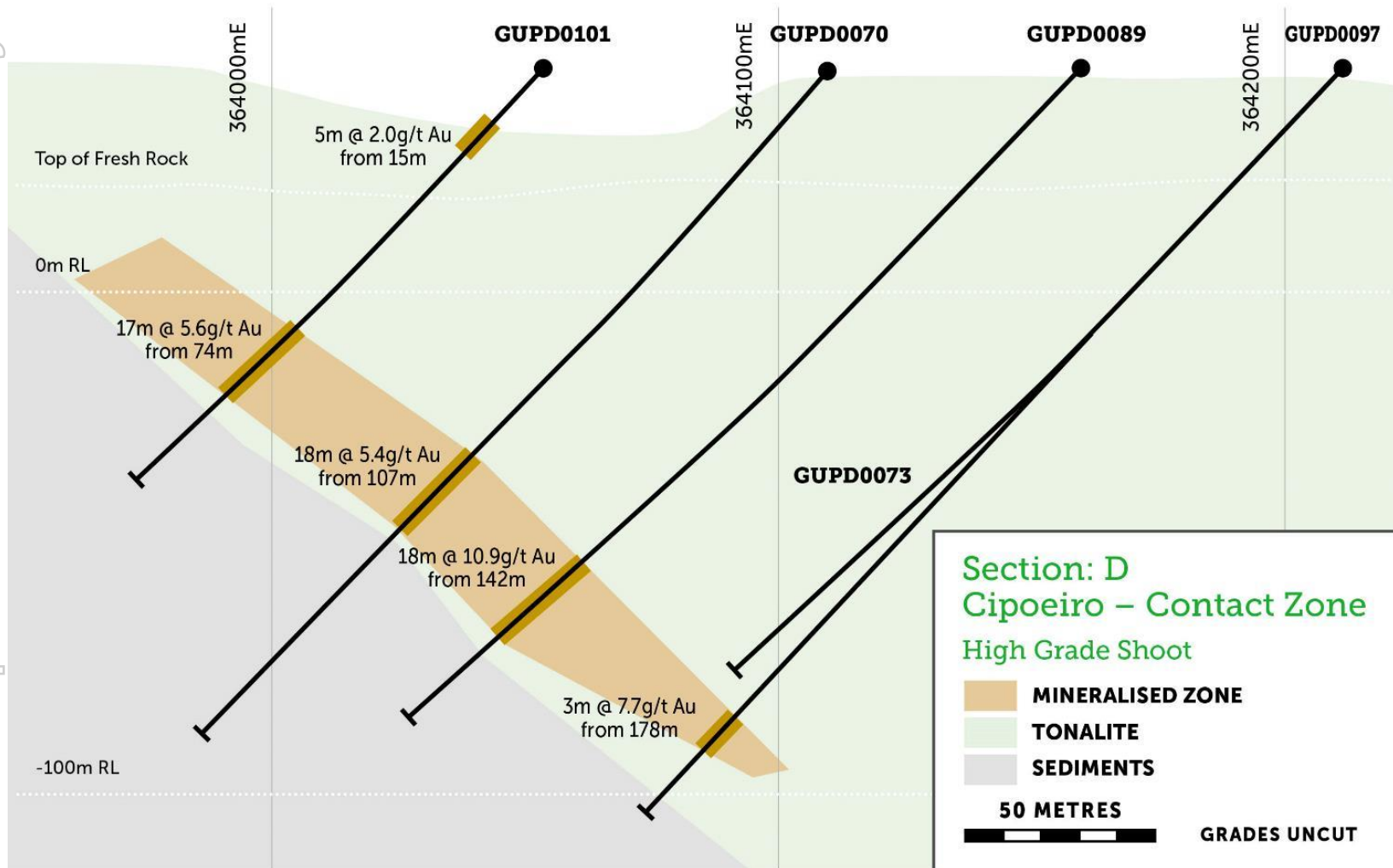
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CentroGold

Cipoeiro - Contact Zone

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CentroGold Forward Work Program

Project studies advanced, suggesting quick progress potential

- Infill program to support Scoping Study due by end 2017, envisages
 - Open-pit mine with low strip ratio
 - Free-milling ore
 - CIL processing
- Pre-Feasibility and Definitive Feasibility Studies in 1H 2018
 - Debt financing options pursued in parallel
- Targeting permit resolution end Q2 2018 and thereafter:
 - Lifting of environmental licence injunction
 - Granting of mining leases
 - Re-issuance of construction licence
- Based on current resources
 - Targeting minimum 10 years mine life
 - Targeting first production as early as the second half of 2019
 - Upside potential as Chego Tudo yet to be included

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Pedra Branca Copper-Gold Project

Second and larger Copper-Gold project

Pre-Feasibility Study*

- Robust project economics on now conservative assumptions
- Phased development initially targeting a 1.2Mtpa operation for 24ktpa Copper and 16ktpa Gold
- Original \$200m NPV estimate with 34% IRR (at \$3/lb Cu = ~\$220 million NPV and 37% IRR)

Development Progress

- Box cut and portal established, trial mining licence issued August 2017
- Application for full environmental licence submitted June 2017, anticipated 2H 2018.
- DFS targeting completion May 2018, to include new drilling information and project enhancements to drive improved NPV and IRR
 1. Plant sizing and use of second-hand equipment
 2. Optimisation of underground development, ramp-up and sequencing
 3. Deferral of paste plant
- Debt financing discussions underway with Brazilian and international banks

Outlook

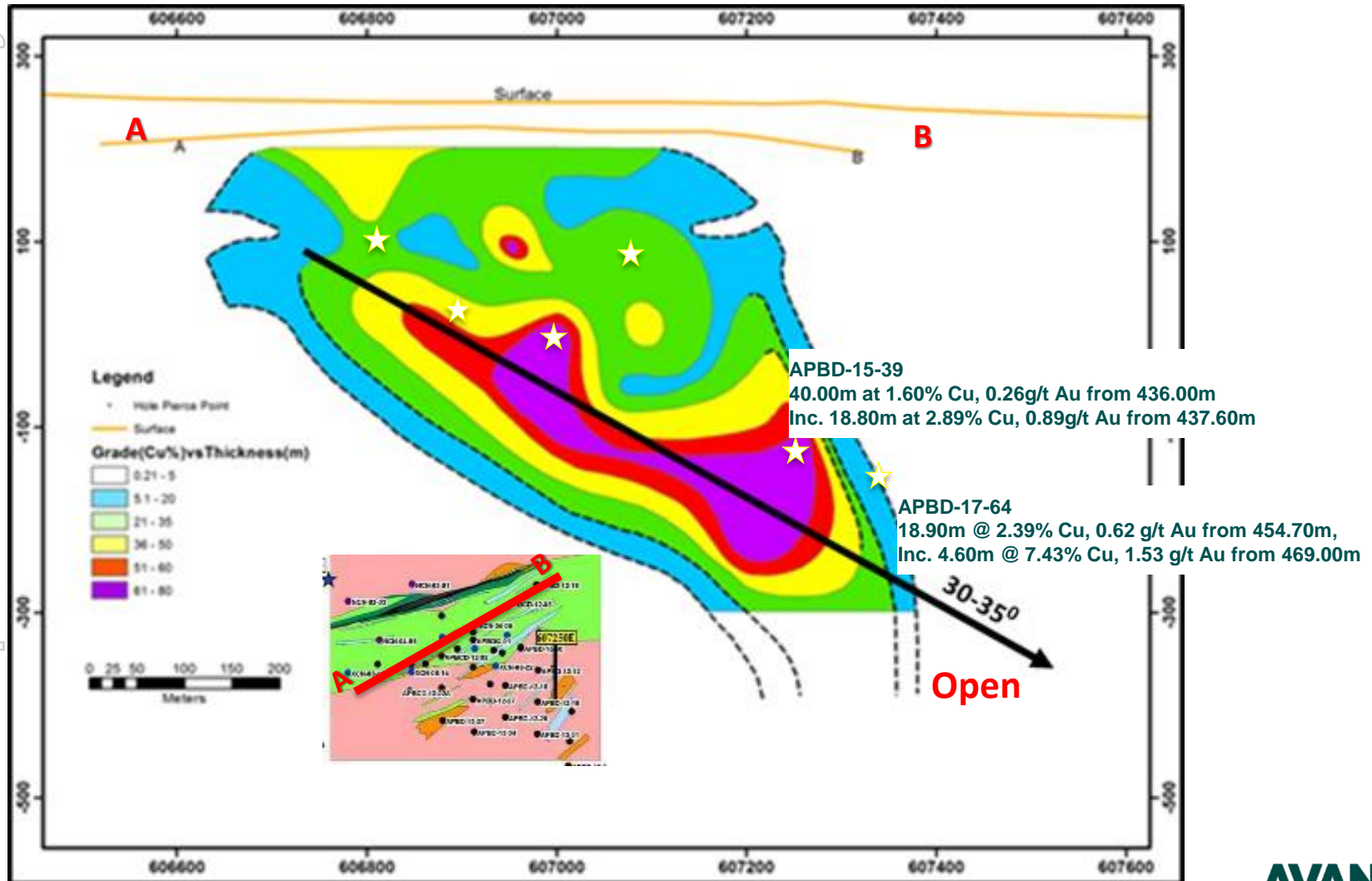
- Project on track for production from mid-2020
- Potential to grow production with addition of Pedra Branca West



*Refer ASX Announcement "Positive Pre-Feasibility Study for Pedra Branca" 26 May 2017

Pedra Branca East Deposit

Current Drilling extending mineralisation along strike



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- **Pedra Branca overview including decline development**



Exploration

Our vision is to build a mid-tier copper and gold company

Brown and Greenfields exploration: US\$10.6m budget in 2017 funded from cash flows

Antas

- Near mine exploration and resource/reserve targeting expansion to mine life and/or increased production

CentroGold

- Conversion of existing NI 43-101 resources to JORC resources
- Testing priority drill targets for resource growth

Pedra Branca

- Pedra Branca East drilling along strike
- Pedra Branca West targeting resource growth focused on higher grades

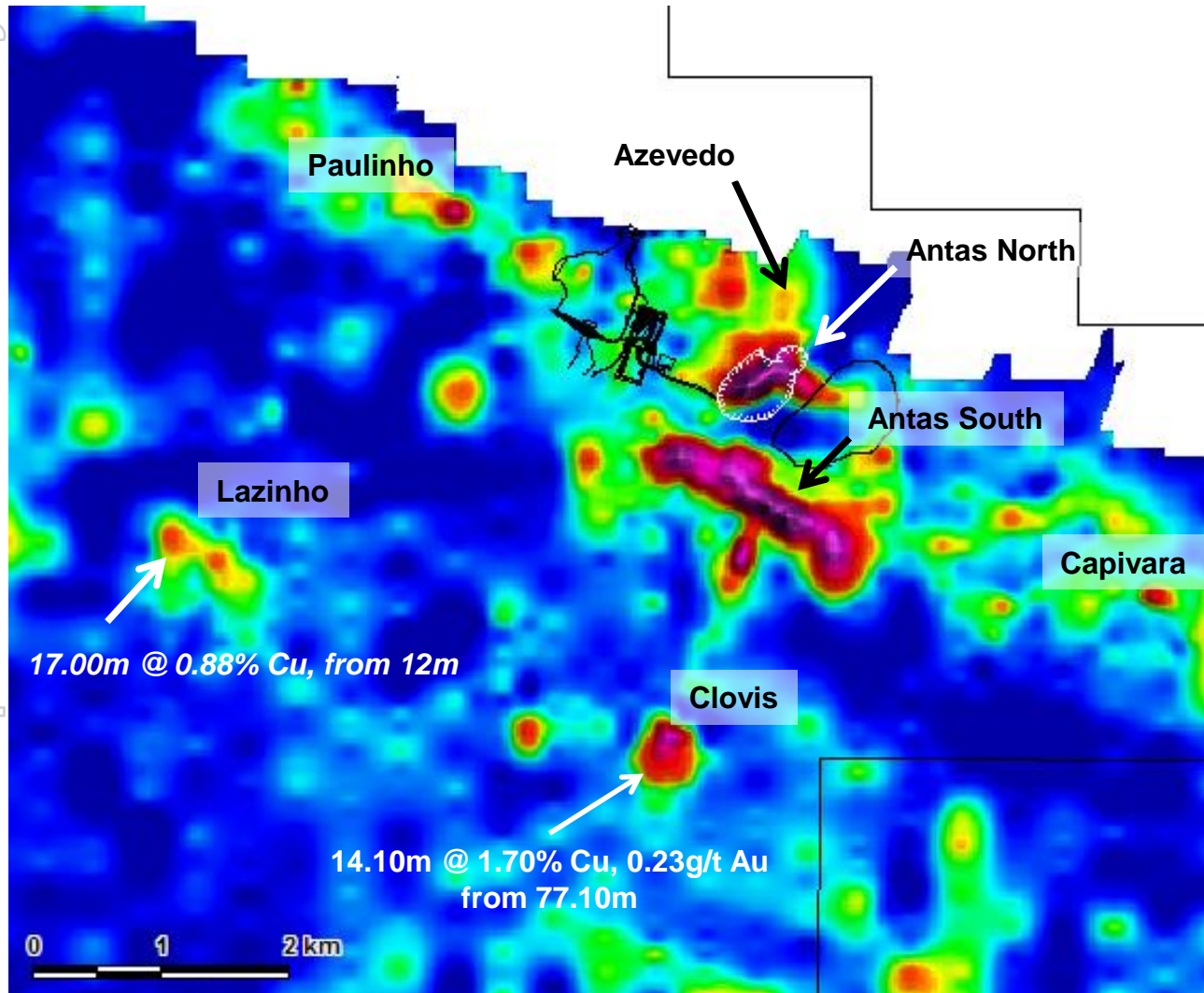
Carajás Regional Exploration targeting a new discovery

Actively evaluating M&A opportunities

Exploration

Antas near-mine potential within granted mining lease

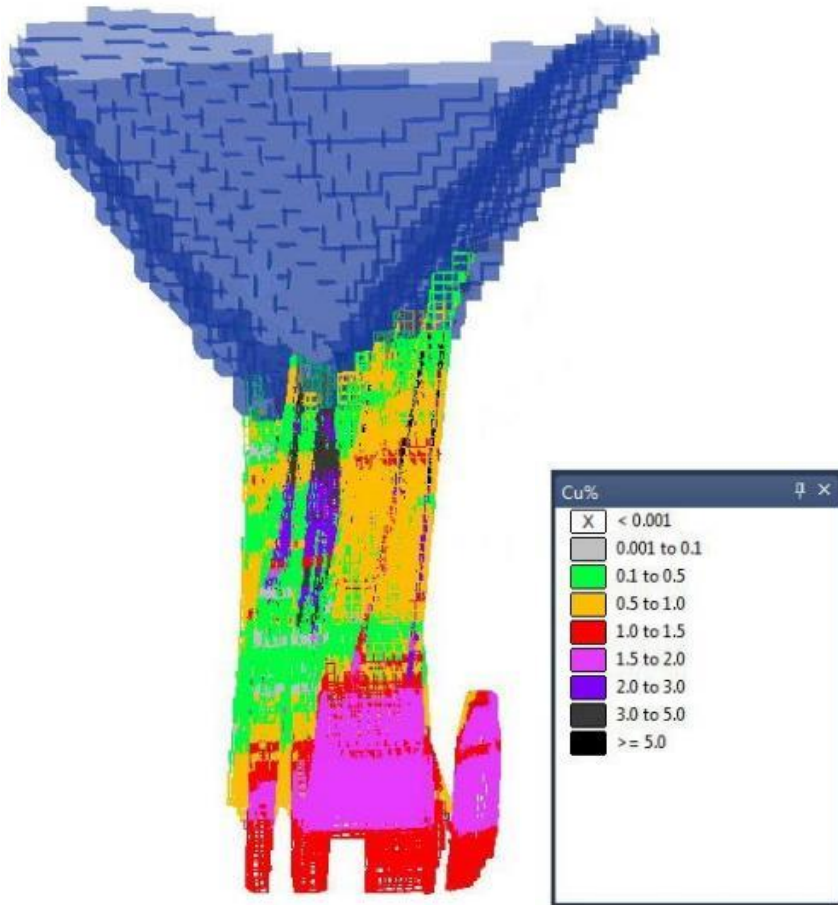
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Exploration

Antas underground potential being evaluated

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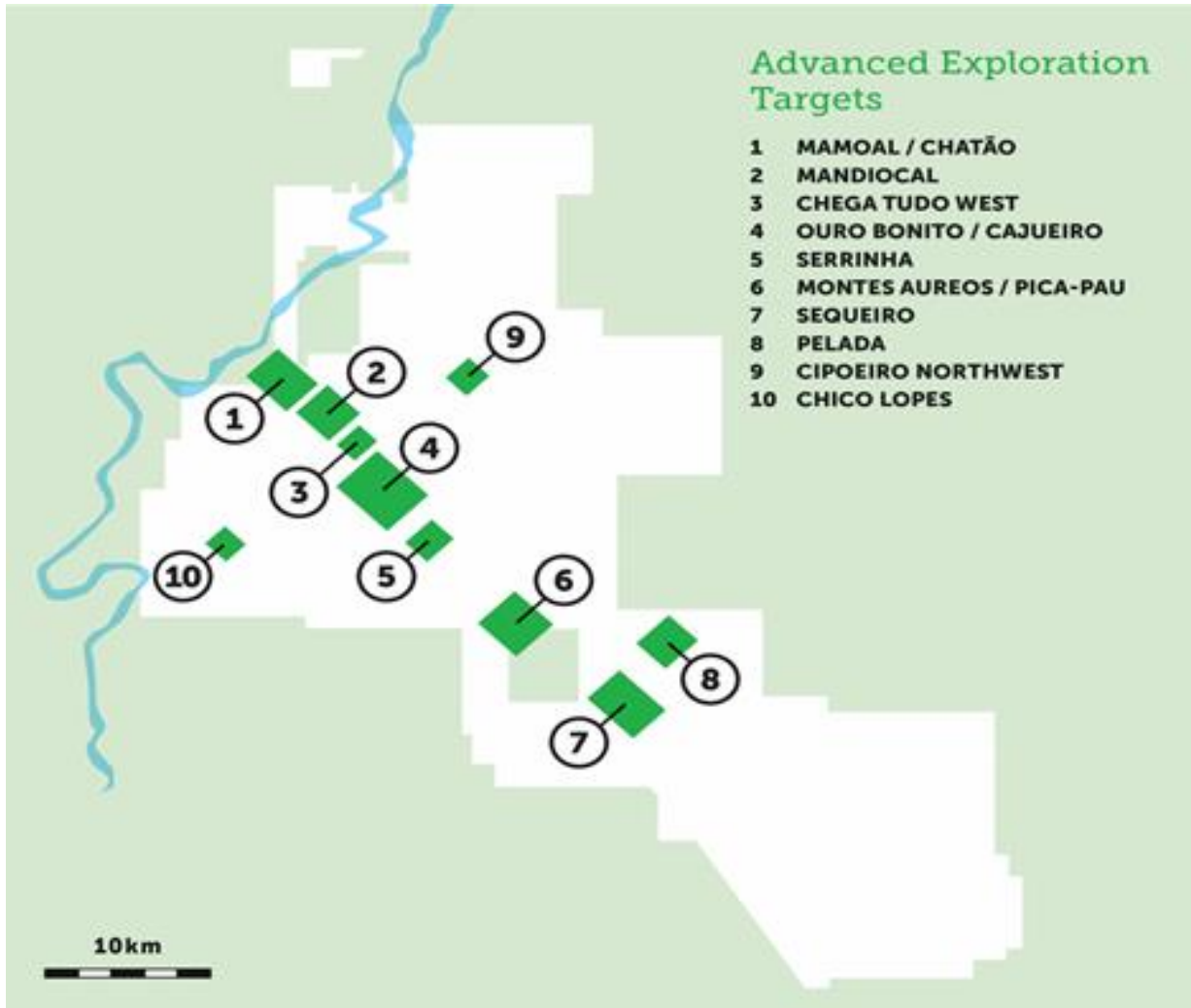
Open at Depth

- Current drilling program aiming to extend mineralisation and grow resource inventory
- Studies underway to determine optimal expanded open pit and potential underground opportunity
- Aiming to extend mine life and/or increase annual production
- Results expected by end 2017

Exploration

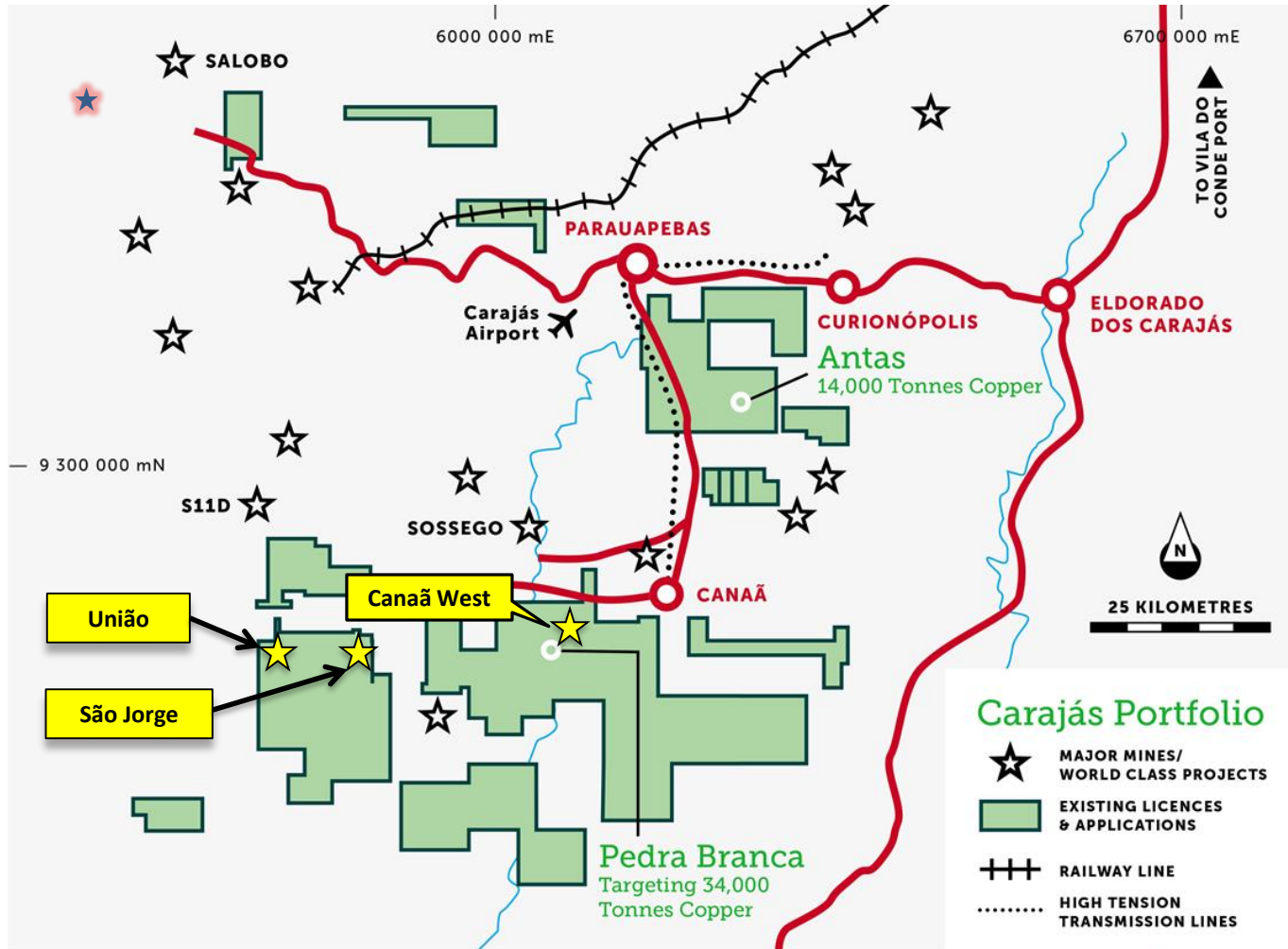
CentroGold - 75km long greenstone belt with multiple targets

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Exploration

Large tenement package in Carajás, multiple targets



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Key Milestone Deliverables

A busy 6-9 months coming up

Antas

- Ongoing drilling results from extensional drilling Q4/Q1
- Updated Reserves/Resources and optimised mine plan by end 2017
- Underground concept study due 2018

CentroGold

- Drilling results due to start being announced from Q4 2017
- Chega Tudo maiden resource in coming weeks
- Scoping Study targeting end 2017
- Pre-Feasibility and Definitive Feasibility Studies due 1H 2018
- Debt financing options pursued in parallel
- Permit resolution by Q2/Q3 2018

Pedra Branca Project

- DFS incorporating enhancements on track for completion Q2 2018

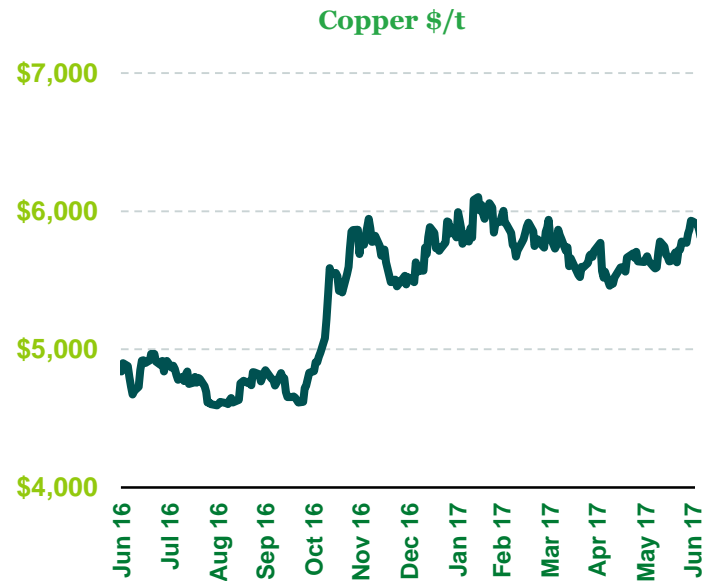
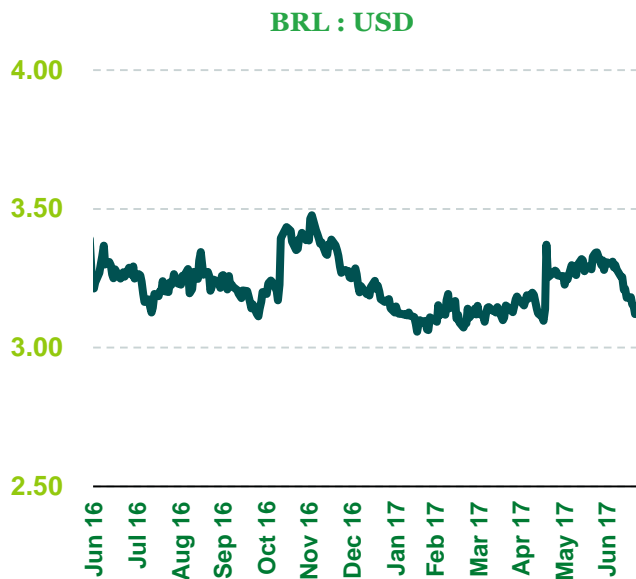
Regional exploration ongoing

- Regional exploration programs including EM surveys and follow up drilling
- New project due diligence, target identification and evaluation underway

Financials

Antas delivering solid financial performance

- Solid 1H 2017 financial result:
 - Revenue of \$46.1m
 - EBITDA (underlying) of \$10.9m
 - NPAT of \$1.1m
- Q2 2017 free cash flow \$5.7million (Q1 2017: \$1.9m)
- \$26.3 cash at 30 June 2017 (\$23.1m 31 March 2017)
- No debt



Conclusions

- Established copper-gold producer with Brazil focus
- In-country Directors and management team with extensive experience
- Company mantra is “low capex, high grade”
- Cash generative asset at Antas with considerable organic, low cost growth options
- CentroGold is a quality gold asset offering near-term production and earnings growth
- Pedra Branca continues to be optimised and improved
- Significant exploration portfolio in highly prospective and under-explored mineral provinces
- Low-cost M&A opportunities being evaluated
- Sound balance sheet with US\$26.3m cash and no debt
- Tightening copper market expected to support higher copper prices over coming years

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Resources

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CARAJAS COPPER – Mineral Resources^{1,2,3,4,5}

DEPOSIT	Category	Million Tonnes	Cu (%)	Au (ppm)	Copper Metal (T)	Gold Metal (Oz)
PB East ⁶	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 ⁶	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 ⁶	Measured	1.96	3.42	0.76	67,000	48,000
	Indicated	1.61	2.23	0.42	36,000	22,000
	Inferred	1.89	1.59	0.23	30,000	14,000
	Total	5.46	2.43	0.48	133,000	84,000
Antas South ⁷	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		33.21	1.95	0.49	645,000	506,000

CENTROGOLD – Mineral Resources⁸

DEPOSIT	Category	Million Tonnes	Au (g/t)	Gold Metal (Oz)
Contact Zone ⁸	Indicated	2.1	2.5	168,000
	Inferred	5.9	2.2	424,000
	Total	8.1	2.3	592,000
Blanket Zone ⁸	Indicated	10.8	1.7	597,000
	Inferred	1.4	2.2	97,000
	Total	12.2	1.8	694,000
TOTAL		20.2	2.0	1,286,000

Reserves

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ANTAS COPPER MINE – Ore Reserves ^{9,10}							
LOCATION	JORC Category	Economic Cut-Off Cu%	Million Tonnes	Copper (%)	Gold (g/t)	Copper Metal (T)	Gold Metal (Oz)
Antas Mine	Proved	0.65	1.23	3.34	0.73	41,100	28,900
	Probable	0.65	1.69	2.16	0.47	36,500	25,500
Mine Stockpiles	Proved	0.65	0.12	2.26	0.53	2,800	2,100
TOTAL PROVEN + PROBABLE			3.04	2.64	0.58	80,400	56,500

1. 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
2. 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
3. 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
4. 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
5. 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
6. Grade Tonnage Reported above a Cut-off Grade of 0.9% Copper
7. Grade Tonnage Reported above a Cut-off Grade of 0.3% Cu for Oxide Resources
8. Grade Tonnage Reported above a Cut-off Grade of 1.0g/t Gold
9. 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
10. Measured and Indicated Resources are inclusive of those Mineral Resources modified to produce the Ore Reserves

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.