



**2016 Full Year Financial Results Presentation**

**28 March 2017**

**Tony Polglase, Scott Funston, Nick Bias**

- **Antas built, commissioned and ramped up ahead of schedule and under budget**
- **Exceptional safety record with no reported lost time injuries**
- **Contained copper production exceeded guidance**
- **FY16: 11,188 tonnes, Q416: 4,011 tonnes**
- **Revenue of \$59.2 million for the year (Q4 \$24.4 million)**
- **EBITDA of \$16.8 million for the year (Q4 \$7.8 million)**
- **Net loss of \$2.7 million for the year (Q4 net profit \$0.75 million)**
- **Debt free with cash balance of US\$22.9m at 31 December 2016**

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



In 2016 Avanco contained production:

11,188 tonnes of copper

7,779 ounces of gold

**Production guidance for 2017:**

**13,500-14,000 tonnes of copper (+20%)**

**9,750-10,500 ounces of gold (+25%)**

The loss after tax for the year ended 31 December 2016 was US\$2.7 million. For financial reporting purposes production at the Antas operation commenced on 1 April 2016. The current period result includes an underlying EBITDA of US\$16.7 million.

	Q1 2016	Q2 2016	Q3 2016	Q4 2016	FY 2016
Sales revenue	-	16,250	18,617	24,416	59,283
Treatment, refining and transport charges	-	(2,860)	(3,174)	(3,642)	(9,676)
<b>Net sales revenue</b>	<b>-</b>	<b>13,390</b>	<b>15,443</b>	<b>20,774</b>	<b>49,607</b>
Production costs and changes to stockpile inventories	-	(6,259)	(8,184)	(9,941)	(24,384)
Royalties	-	(1,111)	(1,474)	(1,723)	(4,308)
<b>Gross profit, before depreciation and amortisation</b>	<b>-</b>	<b>6,020</b>	<b>5,785</b>	<b>9,110</b>	<b>20,915</b>
General, administration and other expenses	(549)	(1,038)	(1,238)	(1,433)	(4,258)
Net foreign exchange gain/(loss)	(95)	(94)	250	(45)	16
<b>Underlying EBITDA</b>	<b>(644)</b>	<b>4,888</b>	<b>4,797</b>	<b>7,632</b>	<b>16,673</b>

The underlying EBITDA reconciles to the profit/(loss) before tax as follows:

	Q1 2016	Q2 2016	Q3 2016	Q4 2016	FY 2016
<b>Underlying EBITDA</b>	<b>(644)</b>	<b>4,888</b>	<b>4,797</b>	<b>7,632</b>	<b>16,673</b>
Financial income	135	81	76	103	395
<b>Financial expense</b>	<b>(7)</b>	<b>(10)</b>	<b>(15)</b>	<b>(10)</b>	<b>(42)</b>
Depreciation, amortisation and depletion	(8)	(3,238)	(4,495)	(3,676)	(11,417)
<b>Accretion of rehabilitation and royalty liabilities</b>	<b>-</b>	<b>(1,370)</b>	<b>(1,059)</b>	<b>(1,116)</b>	<b>(3,545)</b>
Impairment of exploration projects	(625)	(51)	-	(357)	(1,033)
Change in financial liability	-	(1,405)	-	3,205	1,800
Share-based payments	-	(465)	-	(1,321)	(1,786)
<b>Profit before tax</b>	<b>(1,149)</b>	<b>(1,570)</b>	<b>(696)</b>	<b>4,460</b>	<b>1,045</b>

The balance sheet at December 31 2016 is strong with cash of \$22.9 million

The working capital position, comparatives are as follows:

	31 Dec 2016	30 Jun 2016	31 Dec 2015
Cash and cash equivalents	22,866	21,042	31,700
Trade and other receivables	7,786	4,098	768
Inventories	9,032	6,320	-
Trade and other payables	(10,382)	(11,144)	(8,605)
Current tax liability	(2,620)	-	-
Current financial liability	(4,861)	(5,780)	(1,952)
Total Working Capital	21,821	14,536	21,911

## Share Price



## BOARD OF DIRECTORS

Chairman	Colin Jones
SID	Vern Tidy
Independent	Luiz Ferraz
CEO	Anthony Polglase *
Exploration	Simon Mottram *
Legal	Luis Azevedo *

## \* EXECUTIVE

CFO	Scott Funston
Projects	Wayne Phillips
Corporate	Nicholas Bias

Issued shares / options	2,457m / 162m
52 week range	AU\$0.05 - \$0.14
Market cap at \$0.115	A\$282m
Cash (31 Dec 16)	\$22.9m
Enterprise value (31 Jan'17)	A\$207.3m

Major Shareholders	
Appian	18%
Greenstone	17%
BlackRock	13%
Glencore	8%



**CONTACT**

**Nicholas Bias**  
**Head of Corporate Affairs**

Tel: +61 497 888 227 | +44 (0)7771 450 679  
Email: [nbias@avancoresources.com](mailto:nbias@avancoresources.com)