Avanco

2016 Full Year Financial Results Presentation 28 March 2017 Tony Polglase, Scott Funston, Nick Bias

Highlights



- 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.

Guidance





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)
Net sales revenue	-	13,390	15,443	20,774	49,607
Production costs and changes to stockpile inventories	-	(6,259)	(8,184)	(9,941)	(24,384)
Royalties	-	(1,111)	(1,474)	(1,723)	(4,308)
Gross profit, before depreciation and amortisation	-	6,020	5,785	9,110	20,915
General, administration and other expenses	(549)	(1,038)	(1,238)	(1,433)	(4,258)
Net foreign exchange gain/(loss)	(95)	(94)	250	(45)	16
Underlying EBITDA	(644)	4,888	4,797	7,632	16,673



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

	Q1 2016	Q2 2016	Q3 2016	Q4 2016	FY 2016
Underlying EBITDA	(644)	4,888	4,797	7,632	16,673
Financial income	135	81	76	103	395
Financial expense	(7)	(10)	(15)	(10)	(42)
Depreciation, amortisation and depletion	(8)	(3,238)	(4,495)	(3,676)	(11,417)
Accretion of rehabilitation and royalty liabilities	-	(1,370)	(1,059)	(1,116)	(3,545)
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)
Profit before tax	(1,149)	(1,570)	(696)	4,460	1,045



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

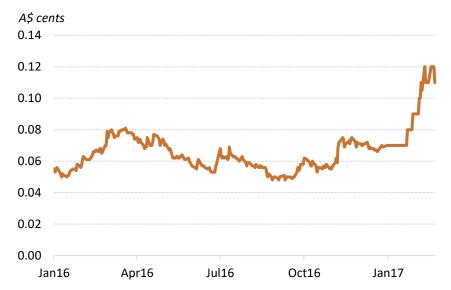
The working capital position, comparatives are as follows:

	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

Corporate



Share Price



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	

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

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

Nicholas Bias Head of Corporate Affairs

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