

THE AUSTRALIAN COPPER COMPANY IN BRAZIL



◦ The Copper Story

Noosa Mining Conference
Scott Funston, CFO

July 2017



Cautionary and forward looking statements

The announcement may contain certain forward-looking statements. Words '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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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.

Copper market data is produced with Broadhurst Mining Research analysis, and is based on company reports and industry sources.

**We are building Australia's next
mid-tier copper company. We know
what we want and we know how we
are going to get there.**



Our Growth Portfolio

Antas
production & exploration



Pedra Branca
development



CentroGold
development



**Exploration Portfolio
& M&A opportunities**



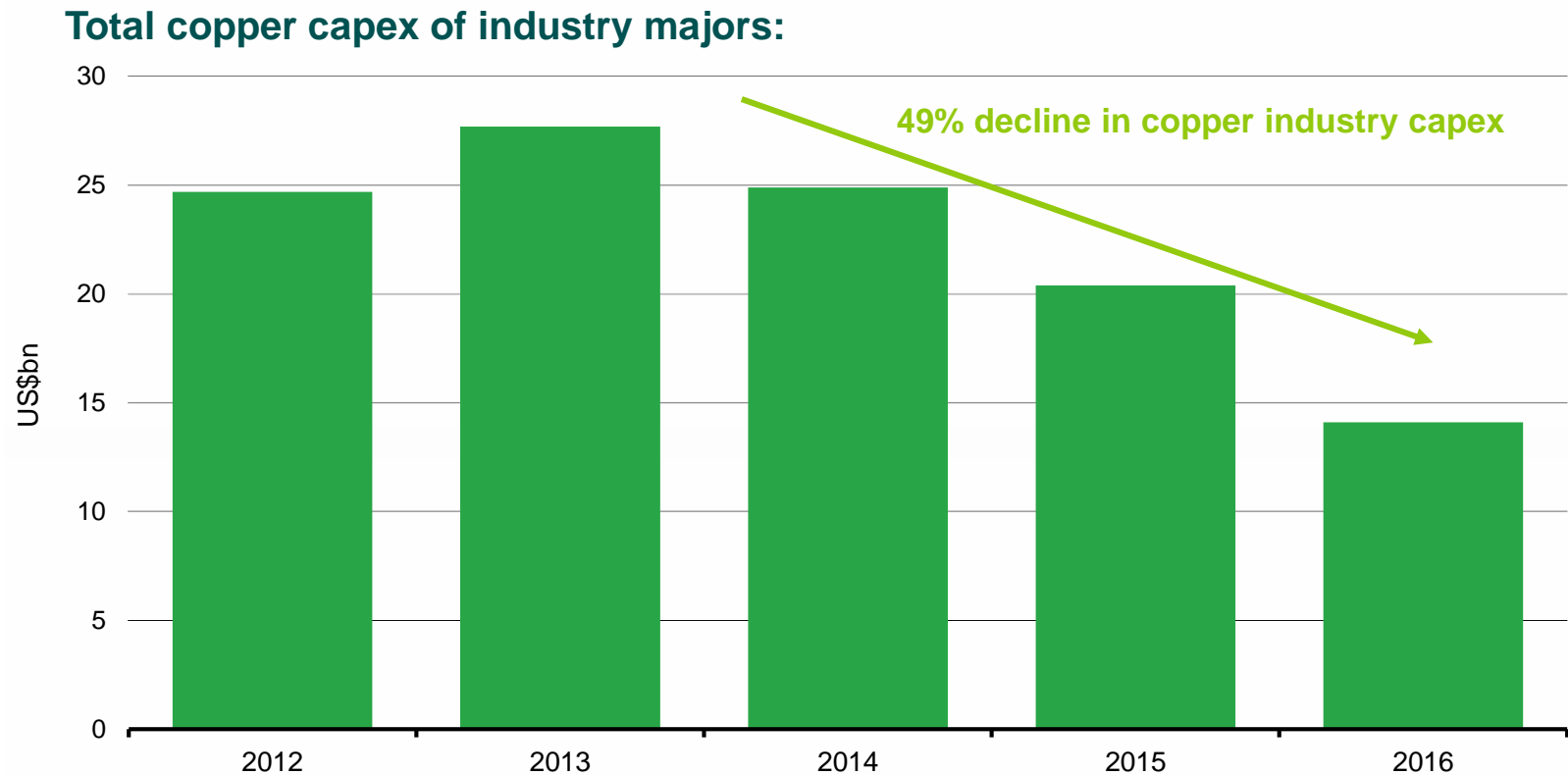
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Copper Market

**Challenging Supply and
Positive Demand Outlook**

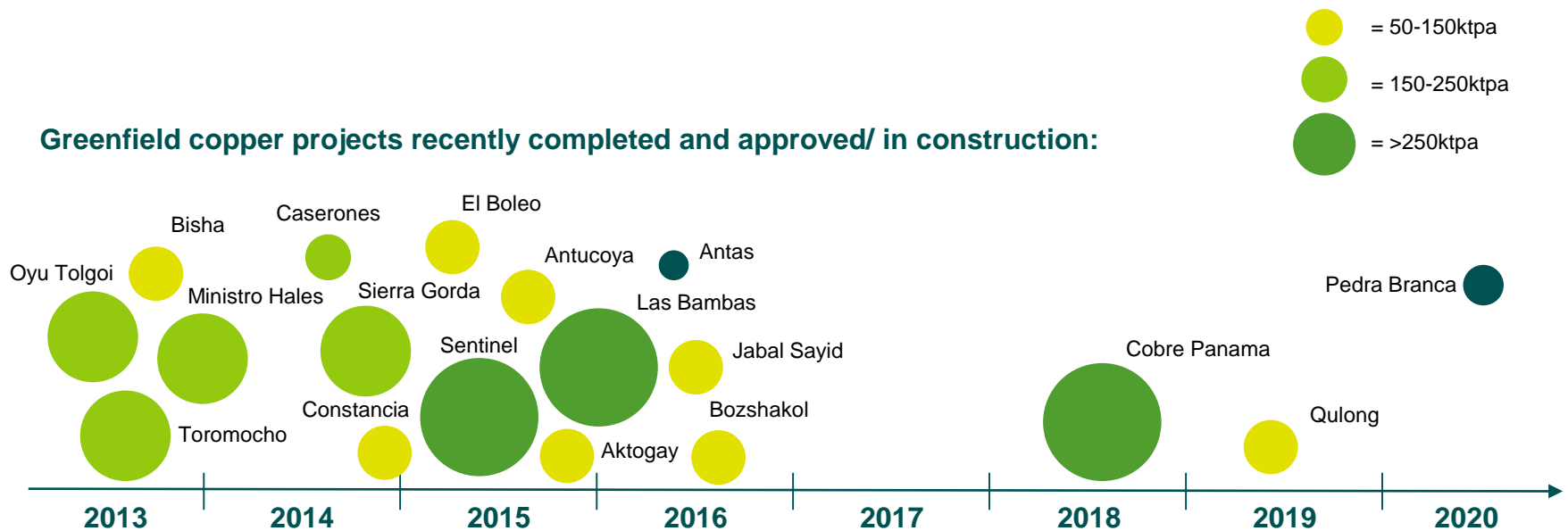
Industry Capex Has Halved

Copper industry majors have cut investment in both growth and maintenance



Lack of Greenfield Projects

After a growth phase, few new mines are now being built

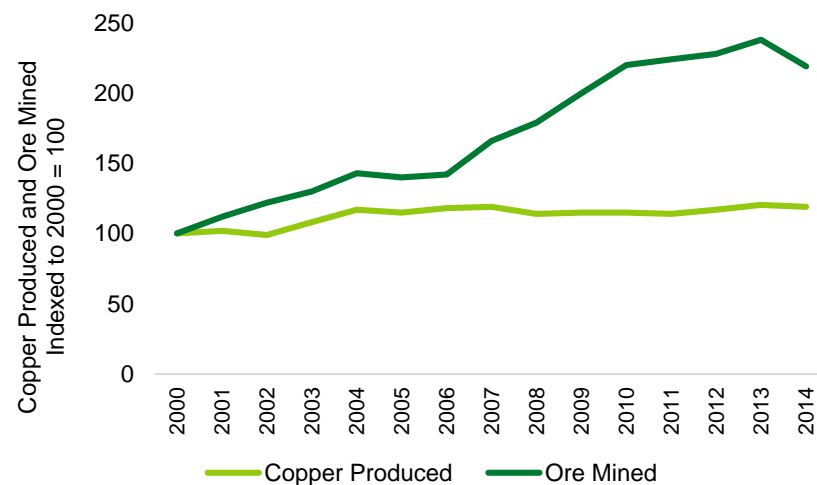
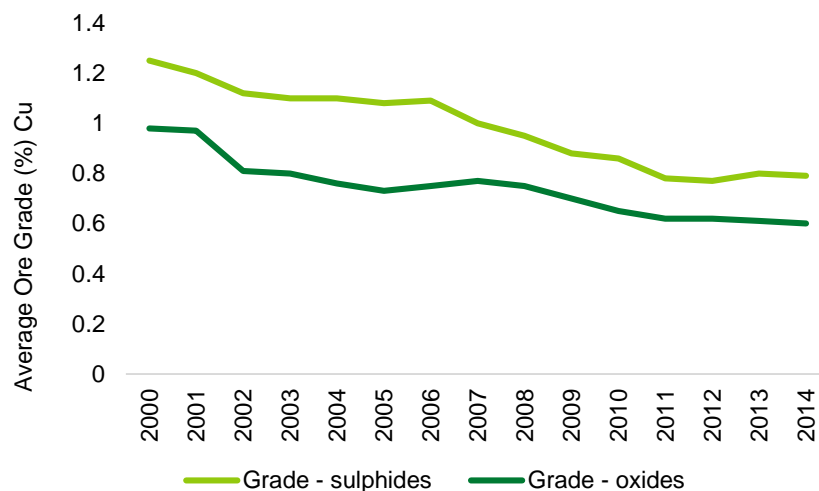


Key Producer Faces Challenges

Decreasing grade in Chile impacts production and costs

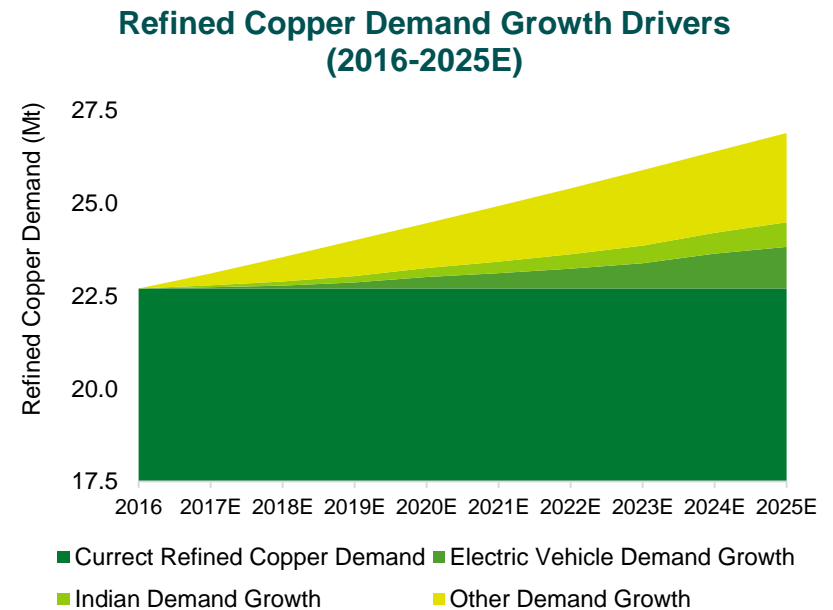
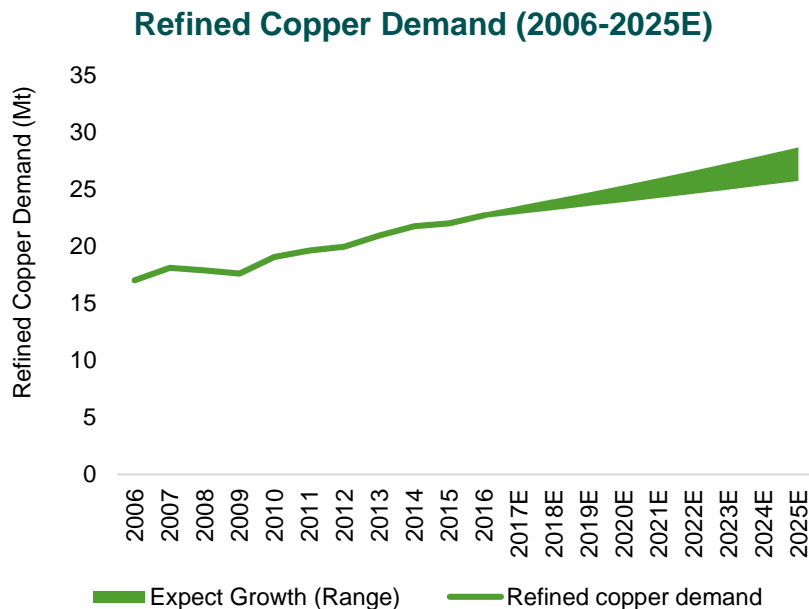
Between 2000 and 2014 the average grade of oxide ore mined in Chile fell by 39% and sulphide ore grade by 37%.

Coupled with lower recovery rates, that meant a 119% increase in ore mined in Chile for just 19% more copper



Steady Demand Growth

Electric vehicles, China and India will be key growth drivers

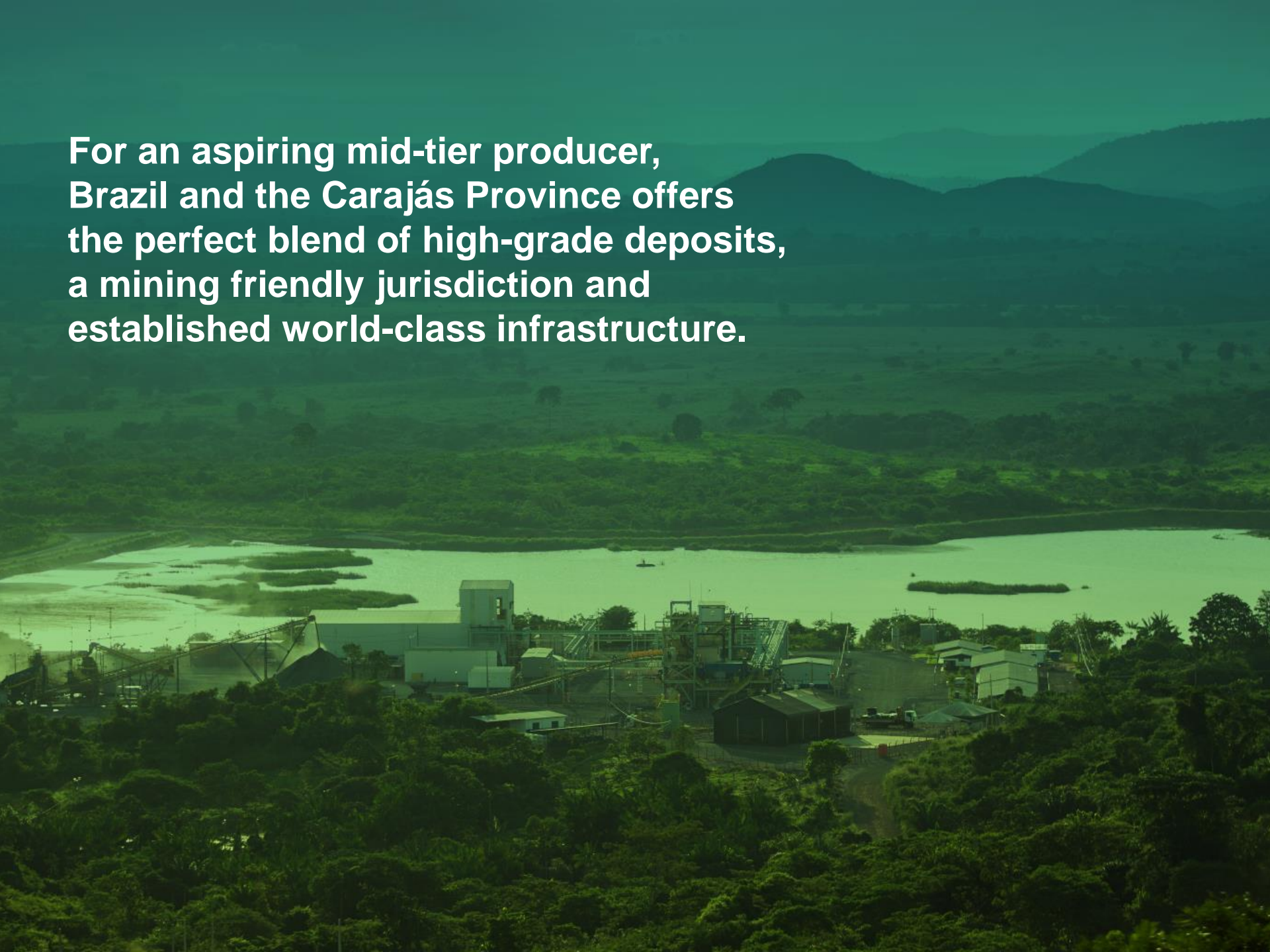


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Investment Case

#1 The Carájas, Brazil

**For an aspiring mid-tier producer,
Brazil and the Carajás Province offers
the perfect blend of high-grade deposits,
a mining friendly jurisdiction and
established world-class infrastructure.**



Successful in Brazil

Proven track record in Brazil's new mineral province

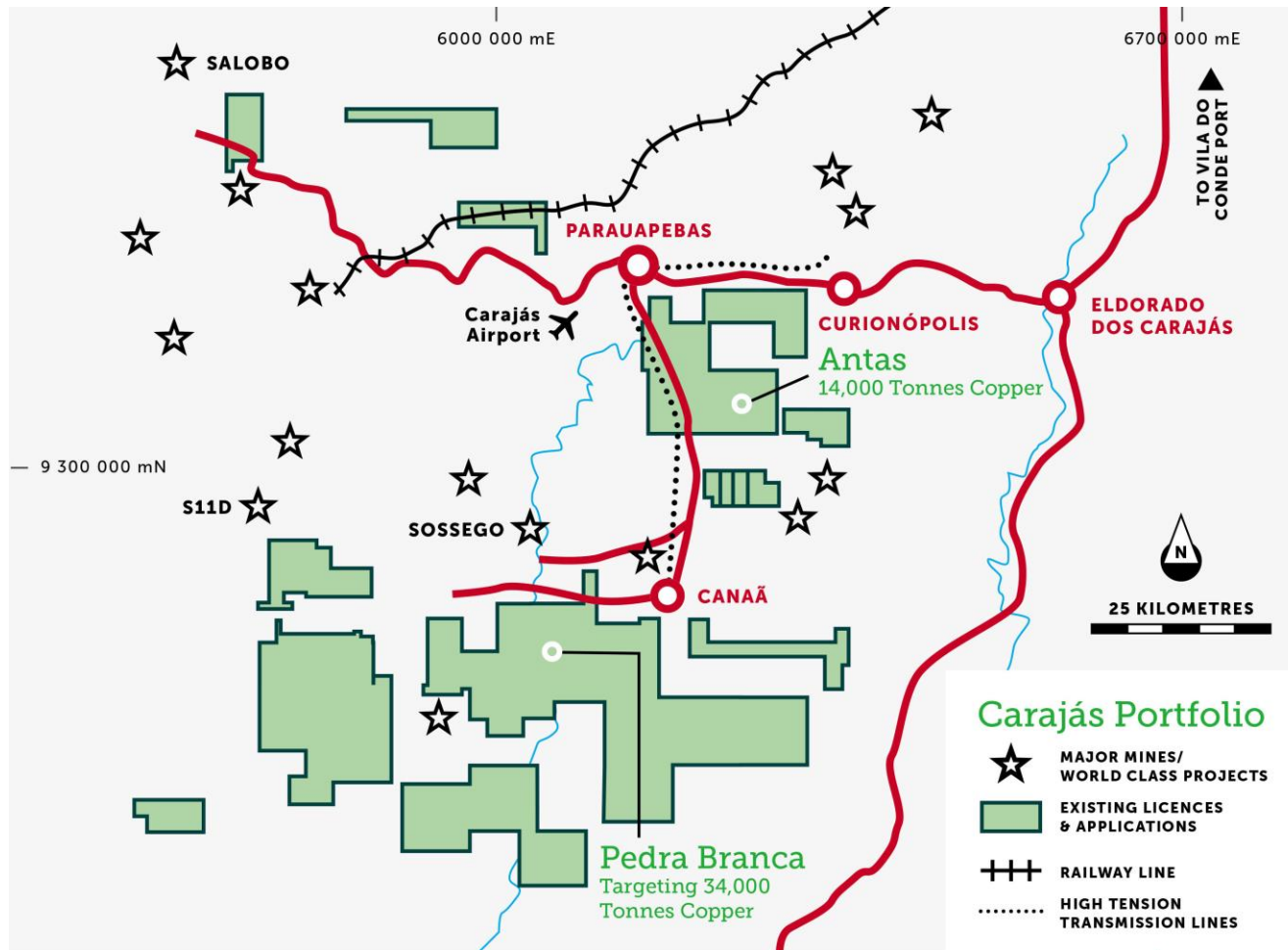
We are building a copper company in the Carajás. A premier mineral province hosting the largest concentration of quality large tonnage IOCG deposits in the world.





#2 largest regional copper company

100% owned copper portfolio covering over 1,800km²



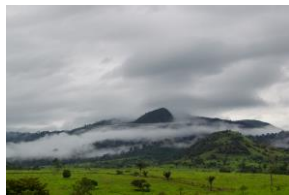
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Avanco

#2 Proven Track Record

Antas

Only new copper discovery-development in Brazil in the last decade

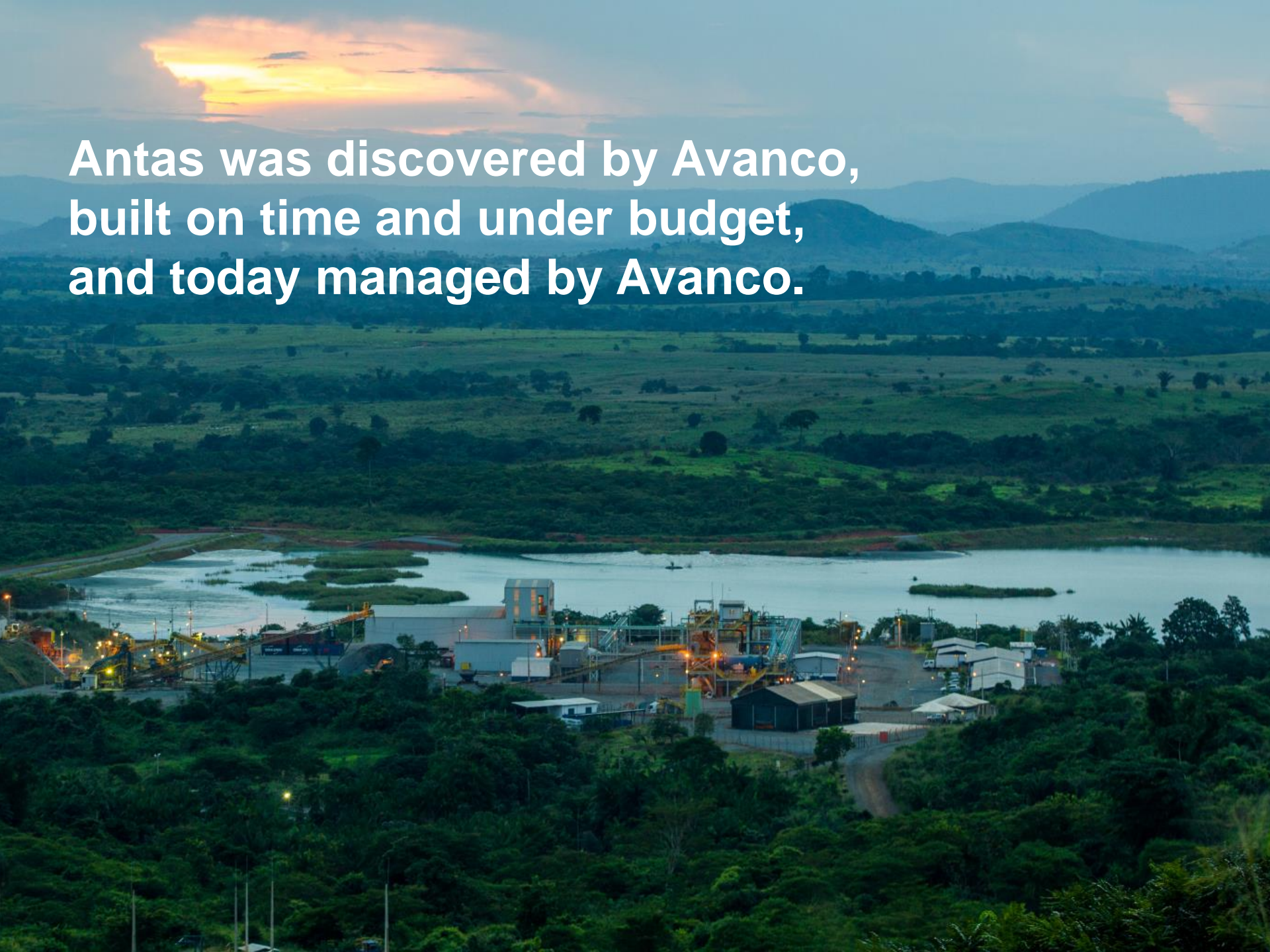
- 5-years discovery to production
- Construction completed on time and under budget
- Early- 2017 \$4.6m budget for improvements and exploration drilling
- Mid-2017 exploration advances announced, more to follow in coming months




Antas is recognised as one of the top-five high-grade open pit copper mines in the world.



**Antas was discovered by Avanco,
built on time and under budget,
and today managed by Avanco.**





**Antas this month celebrated
its first commercial production anniversary,
contributing positive cash flows since day one,
adding to our growing cash pile,
and ensuring that we remain debt-free**

Antas Mine

Current drill programme aiming to expand and extend production

Good Geology

- Part of Itacaiúnas supergroup belt which hosts all Carajás IOCG deposits
- Orebody oriented northeast with mineralisation concentrated within steeply dipping body containing massive, breccia and disseminated copper sulphides

Conservative Mine Plan

- 3-stage open pit development
- Competent rocks: 80° pit wall, 10-20m benches
- overall 55° slope, 15° ramps
- Conventional mining method: drill, blast, load and haul

Efficient Mining

- Contracted to MACA with Avanco management and geological support
- Modern Liebherr, Volvo and Caterpillar fleet
- Three shifts, 24 hours, 365 days a year
- Average monthly production 210,000 banked cubic metres

Production & Guidance

		2016A	2017E
Production	Copper/t	11,188	13,500 - 14,000
	Gold/oz	7,779	9,750 - 10,500
Costs	C1/lb Cu	1.10	\$1.35 - \$1.50
	AISCC/lb Cu	1.42	\$1.65 - \$1.80

The processing plant at Antas is a lean machine. It was constructed under budget and ahead of schedule. Today it operates at above capacity, exceeding every expected KPI metric



Antas Processing Plant

Fit-for-purpose operation achieving above planned capacity

Construction ingenuity

- Major components, e.g. Mill, second hand, but unused: lowering costs and reducing delivery lead times
- Taking advantage of specialist skills in Belo Horizonte and São Paulo, some sections designed trailer-mobile, trucked to site, and bolted in place, thereby limiting on site installation time
- Plant comprises some of the best equipment (Metso Mills, Outotec floatation cells, Denver cleaner cells) procured at lower cost and assembled quicker than industry norms



Operating above capacity since day 1

- Plant continues to beat expectations:
 - Throughput capacity +20% at 100/tph
 - Copper production 17% at 14,000 annual copper tonnes
 - Copper recoveries +2% at +97%
- Plant design flexible, opportunity for doubling in capacity for under approximate \$20 million
- Clean concentrate benefiting from TC and RC discounts




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Avanco

3 Plentiful Growth Opportunities

As the second largest copper producer in the Carajás, Avanco has an attractive pipeline of projects, and already demonstrated that it has the skills and experience to develop them.





**Pedra Branca is the company's
next project, which will take the
company to become a mid-tier
copper producer**

**6°34'47.304"(S)
50°01'52.401" (W)**

Pedra Branca East

First phase development for 24,000 tonnes annual copper production

Location

- 40km from Antas
- Access to power, water and transport infrastructure

Geology

- Good ground conditions in granite
- Mineral resources 17.6mt 2.4% Cu and 0.6g/t Au
- Pedra Branca West further potential
- On-strike option through Codelco purchase

High Productivity Mining

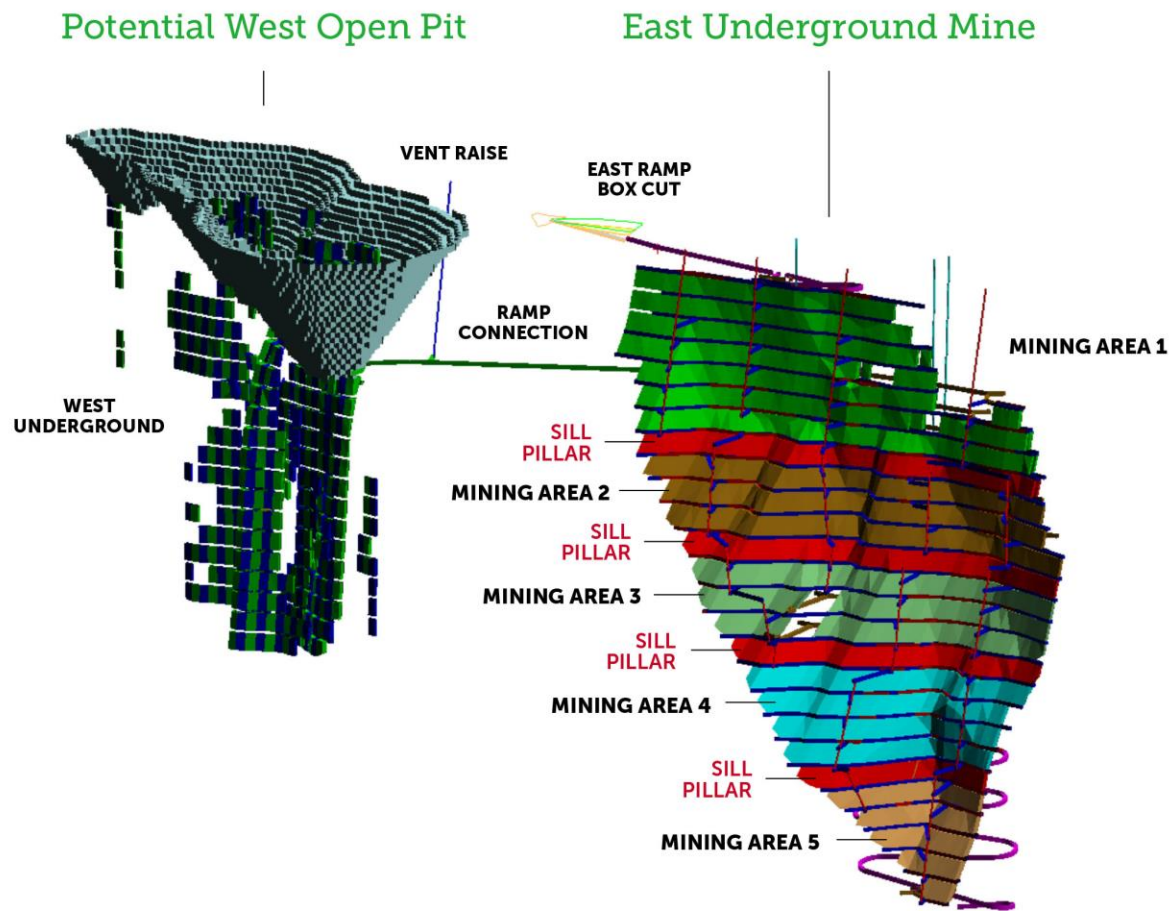
- Steep dipping orebody
- Cost-efficient large-tonnage sub-level stoping
- High-grade orebody averages 15m wide
- Targeting 1.2mt for 24ktpa Cu plus gold credits
- Further efficiency opportunities under consideration

Financing

- Estimated \$150m capex (including contingency)
- Debt and equity financing options
- Discussions underway

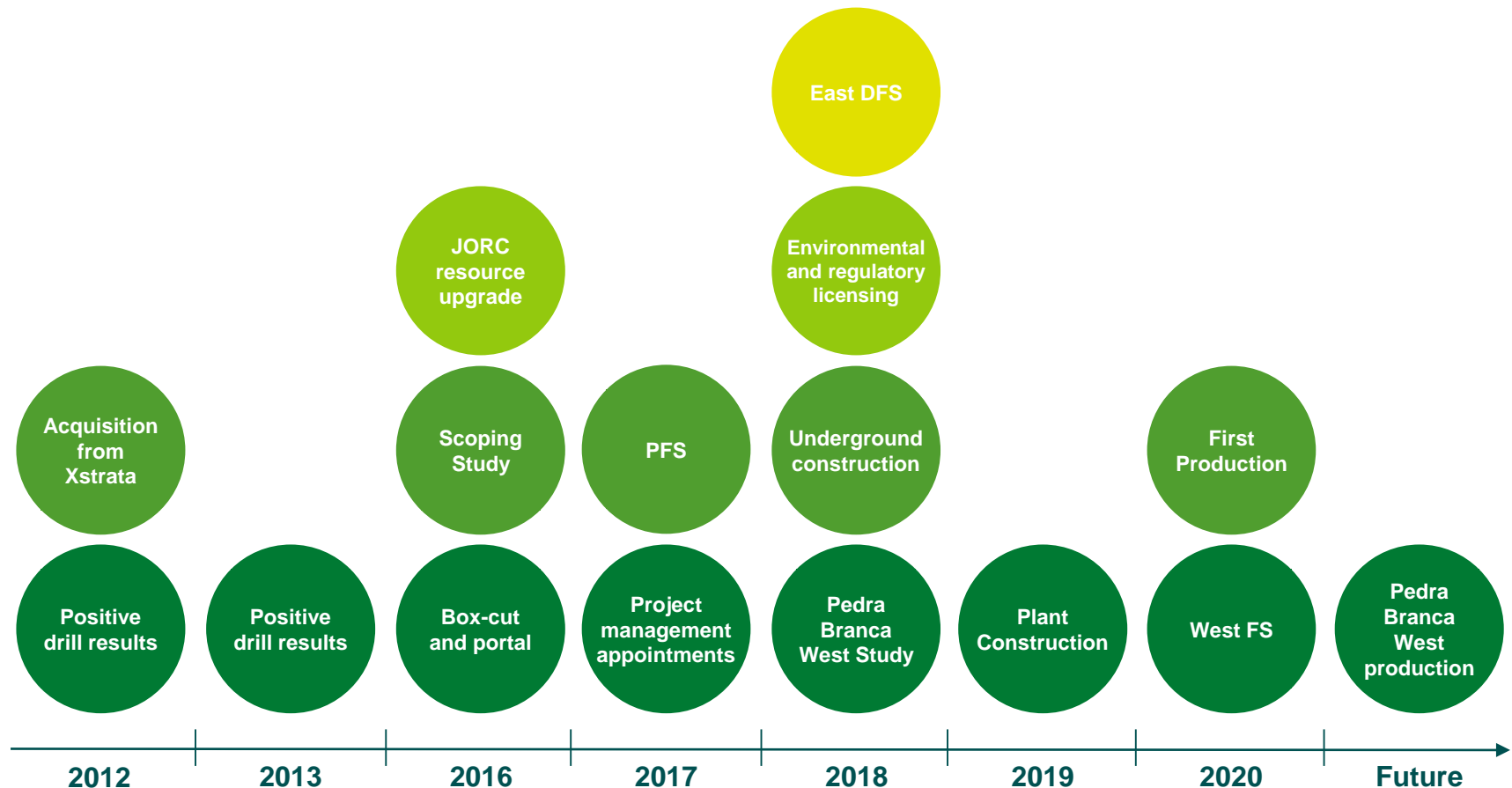
Pedra Branca

Underground design and plan



Pedra Branca

Phased development to 34,000 tonnes annual copper production



**Capitalising on a decade of success
in Brazil, the opportunity to unlock
the value at CentroGold offers new
and defensive optionality**



**2°17'15.831"(S)
46°14'0.946" (W)**

CentroGold

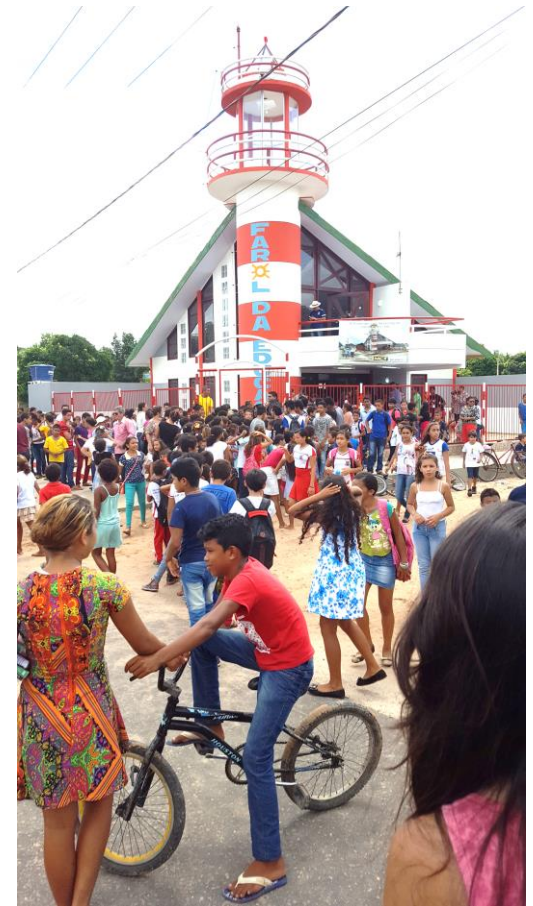
Optionality to realise value through a low capex and opex gold operation

- Also located in Northern Brazil, favourable infrastructure and supportive state administration
- Rights acquired 2016 through exploration and development earn in structure; up to 100% for a total consideration US\$8.25m
- Project comprises two adjacent deposits: Cipoeiro (comprises two sub-zones called Blanket and Contact), and Chega Tudo
- Avanco redesigning project as a focused high-grade open pit project
- At April 2017, Cipoeiro resources* reclassified to JORC (2012) standard, with a cut-off grade of 1.0 g/t gold:

20.2 million tonnes at 2.0 g/t containing 1,286,300 oz of gold *

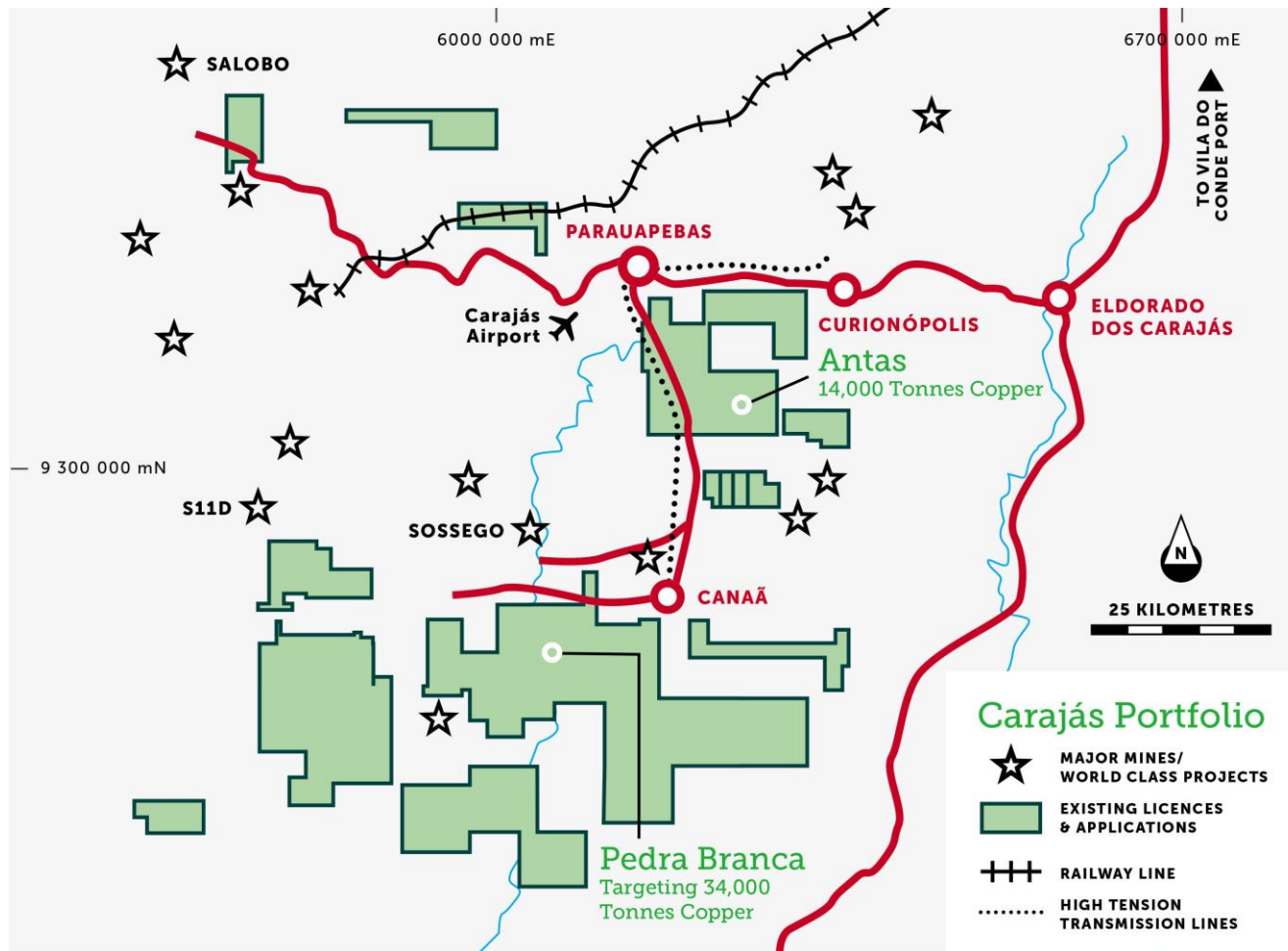
- Scoping Study due soon; resolution of licensing issues ongoing

* See appendix



Exploration portfolio / opportunities

Carajás: 'Land of the Giants'

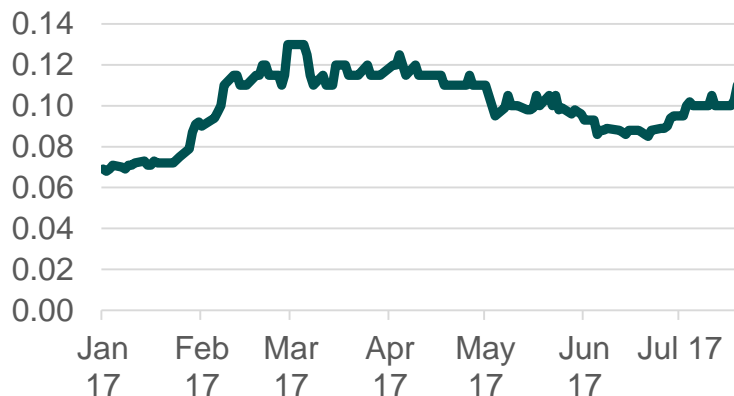


- **Corporate**

Corporate

Building liquidity and widening the shareholder base

Share Price



Major Shareholders

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

Issued Shares / Options 2,457m / 162m

52 week range AU\$0.048 - \$0.135







Market cap at \$0.105 A\$258m


Cash (30 Jun 17) \$26.3m

Debt None!

Independent Board and Experienced Management

Broad competences with complementary Brazilian and Australian backgrounds

Colin Jones	Vern Tidy	Luiz Ferraz	Paul Chapman	Tony Polglase	Luis Azevedo	Simon Mottram
Chairman	Senior NED	NED	NED	CEO	Exec, Legal	Exec, Exploration
						
An authority on underground mine development. Distinguished career with Rio Tinto. MBA	Financial and audit skills as former senior partner for resources at E&Y in Australia. Chartered Accountant. BA Business	Brazilian mining and finance skills. Formerly CEO & CFO of Paranapanema, the largest copper smelter in Brazil.	Commercial, market and financial skills developing resource companies from junior to ASX 200.	Engineer with 40 years of development, operational and commercial experience globally. BEng Metallurgy	Leading authority on mineral law in Brazil, with broad company and operating experience. Qualified Lawyer. BSc Geology. MA Law	Qualified geologist, global experience in base and precious metals. Accredited with several discoveries. BSc Geology. AusIMM Fellow

 Brazilian resident & Portuguese speaking

Executive

The executive team comprises Tony Polglase, Luis Azevedo and Simon Mottram as above, in addition to Scott Funston (CFO) Wayne Phillips (Metallurgy), Otávio Monteiro (Projects) and Nick Bias (Corporate Affairs)

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Closing Remarks

Our Investment Case



#1 forward looking



Our vision is to be a mid-tier copper company. We are on our way to producing 50,000t Cu plus 35,000oz Au a year

#2 the right philosophy



We operate a Brazilian model, with added Aussie mining know-how

#3 first mover advantage



As the original Carajás pioneer, Avanco is ahead of its peers in this premier region

#4 building momentum



A proven track record has earned us the right to develop new assets and achieve our mid-tier ambitions

The background of the slide is a photograph of a large pile of dark, jagged rocks or ore. The rocks are piled high, filling most of the frame. The sky above the pile is a clear, bright blue. The text is overlaid on the left side of the image, in a white, sans-serif font.

**Our investment story is simple.
We have the right mix of assets
and experience, allowing us to
grow production and benefit from
an improving outlook for copper.**

Appendix

CentroGold Mineral Resources

CentroGold Mineral Resources - April 2017				
Cipoeiro Deposit	Category	Million Tonnes	Au (g/t)	Gold Metal (Oz)
Contact Zone	Indicated	2.1	2.5	168,000
	Inferred	5.9	2.2	424,000
	Total	8.0	2.3	592,000
Blanket Zone	Indicated	10.8	1.7	597,000
	Inferred	1.4	2.2	97,000
	Total	12.2	1.8	694,000
CentroGold Total		20.2	2.0	1,286,000

THE AUSTRALIAN COPPER COMPANY IN BRAZIL



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Advance with us
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