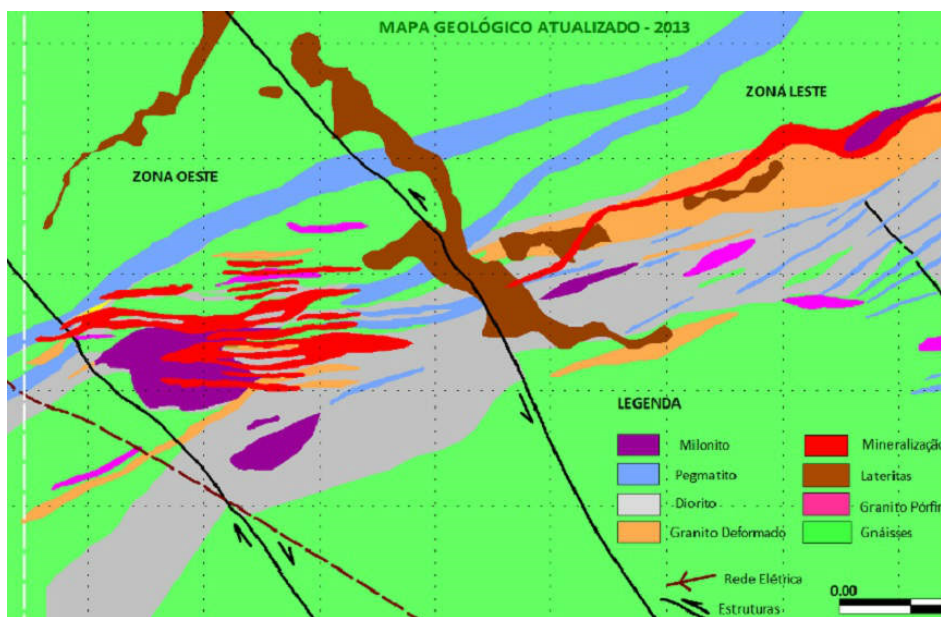


Positive PFS for Pedra Branca

Avanco Resources (AU:AVB) this week published strong prefeasibility study results for its Pedra Branca East project in Brazil, which has scoped an initial capital expenditure requirement of US\$158 million ahead of an anticipated \$368 million net cashflow during an initial circa 10-year mine life.

Michael Quinn | 26 May 2017 | 7:56



The geological interpretation of Pedra Branca, Avanco's would-be second mine in Brazil

The anticipated underground mine and 1.2 million tonne per annum processing plant in Brazil is seeing as producing an average of 24,000tpa of copper and 16,000 ounces per annum of gold.

A net present value of \$200 million and an internal rate of return of 34% was estimated.

Avanco said it used a conservative copper price of \$2.65-2.95 per pound in its modelling, with the expected cash costs of copper production being \$1.30/lb.

The company is moving straight into a full feasibility, which is expected to be completed within 12 months.

Avanco already has an operating copper mine in Brazil, with its Antas operation forecast to produce 14,000tpa at steady-state.

The ASX-listed Avanco started the current quarter with \$17.1 million cash.