

## Cost rise despite good Avanco production

COPPER and gold miner Avanco Resources has more than met its March quarter production output forecasts in Brazil but been impacted by rising costs due to macro and operational factors.

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Copper production of 3506 tonnes was at the upper end of the full year run-rate of 13,500-14,000t and gold output of 2783 ounces was 6% ahead of annual guidance of 9750-10,500oz.

However, a strengthening currency and extended maintenance shut down has seen C1 cash costs rise to US\$1.52 per pound, up 25% from the \$1.22/lb achieved in the December quarter.

Still, the company said earnings (EBITDA) were maintained within budget at \$6.4 million on the back of the production result and increased commodity pricing.

Guidance for 2017 is due to be given next week.

Also awaited is a prefeasibility study for Avanco's potential Pedra East development – where an underground operation could yield 24,000t per annum of copper – and scoping results from the more recent CentroGold opportunity.

Shares in Avanco were unchanged at A11.5c in late morning trade, capitalising the company at \$282 million.

The stock has doubled in price over the past six months.