

## Avanco acquires Vale's Pantera

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Avanco Resources (AU:AVB) has agreed to acquire 100% of Vale's (BZ:VALE5) Pantera copper project in Brazil for around US\$20-35 million.



*The Pantera project is near Avanco's Pedra Branca project in Brazil*

It anticipates the ground, located about 110km from Avanco's Pedra Branca pre-development asset, could contain up to 400,000 tonnes of copper.

The asset can be acquired at a cost of US\$35 million - equivalent to 400,000t at \$0.04 per pound - to be paid at a rate of US\$3 million per annum, or at a cost of US\$0.04/lb within the next two years following at least 14,000m of drilling and subsequent estimation of a JORC resource.

Resources identified above the 400,000t threshold within the "historical mineralised zone" will incur a higher cost of US\$0.06/lb.

Geologically speaking, Pantera is interpreted as IOCG style, with Vale's drilling defining 1.5km of continuous mineralisation.

Avanco claims indications are the shear zone in the western side of the 100sq.km Pantera project containing the mineralisation "has potential upside to 4km of strike".

It also believes "substantial potential exists within the underexplored eastern side of Pantera, where massive sulphides (not seen in drilling to the west) are being mined from a small artisanal shaft" - with any additional resources discovered in this area not increasing the acquisition price.

A 5,000m drilling campaign is being planned to start this quarter, after which a maiden JORC resource will be defined.

Avanco believes any development at Pantera is likely "well after" the CentroGold and Pedro Branca development opportunities currently in the ASX-listed company's portfolio.

Avanco is currently producing about 14,000t of copper and 10,000 ounces of gold per annum from its Antas operation in Brazil.

Cash at the start of the December quarter stood at US\$28.5 million.

Shares in Avanco were up 2% to A\$0.09 (US\$0.07) in morning trade, capitalising the company at A\$221 million.

The stock has spent much of the past six-seven years trading at levels between A\$0.06 and A\$0.10.

*\*Michael Quinn is a senior reporter for MiningNews.net*

Source: <http://www.mining-journal.com/m-amp-a/news/1310767/avanco-acquires-vales-pantera>