

Avanco strikes new deal for Brazil gold project

■ Sean Smith

Avanco Resources has struck a revised deal for the accelerated purchase of a Brazilian gold project, nearly a year after first putting its foot on the potential development.

Under terms revealed yesterday, Avanco will pay \$9 million in stages for full ownership of the CentroGold project, midway between Belem and Sao Luis in north-eastern Brazil.

The company says it believes CentroGold offers potential for

a 100,000-ounces-a-year open-cut mine, with first production possible from the second half of 2019.

Management's focus has so far been on Cipoeiro — one of two deposits within the licences — which hosts an estimated resource of 20.2 million tonnes grading 2g a tonne for 1.3 million oz of contained gold.

Managing director Tony Polglase said the company rated CentroGold as one of the best undeveloped gold projects in Brazil.

"The project fits well into our business model of developing low-risk, low-capex mines that capitalise on our Brazilian and Australian know-how," Mr Polglase said.

"CentroGold hosts the higher grade and shallow Cipoeiro deposit which also benefits from good access to infrastructure."

Avanco's Antas copper and gold mine, also in Brazil, recently celebrated its first anniversary.

Shares in the company closed up 0.1¢, or 1.01 per cent, at 10¢.

AVANCO RESOURCES



Past six months