

Appendix 3B

New issue announcement, application for quotation of additional securities and agreement

Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.

Introduced 1/7/96. Origin: Appendix 5. Amended 1/7/98, 1/9/99, 1/7/2000, 30/9/2001, 11/3/2002, 1/1/2003.

Name of entity

AVANCO RESOURCES LIMITED

ABN

85 126 379 646

We (the entity) give ASX the following information.

Part 1 - All issues

You must complete the relevant sections (attach sheets if there is not enough space).

1 +Class of +securities issued or to be issued Fully paid ordinary shares and Options

2 Number of +securities issued or to be issued (if known) or maximum number which may be issued 156,648,037 Fully paid ordinary shares pursuant to entitlement issue together with 31,329,608 free attaching options (Entitlement Issue) and 40,673,944 options (Underwriting Options).

Principal terms of the +securities (eg, if options, exercise price and expiry date; if partly paid +securities, the amount outstanding and due dates for payment; if +convertible securities, the conversion price and dates for conversion)

Fully Paid Ordinary Shares

Options are exercisable at \$0.015 on or before 30 April 2012.

+ See chapter 19 for defined terms.

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<p>4 Do the +securities rank equally in all respects from the date of allotment with an existing +class of quoted +securities?</p> <p>If the additional securities do not rank equally, please state:</p> <ul style="list-style-type: none"> • the date from which they do • the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment • the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment 	<p>Yes</p>								
<p>5 Issue price or consideration</p>	<p>\$0.025</p>								
<p>6 Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)</p>	<p>Funds raised will used for further exploration, and development, mine permitting, feasibility studies, metallurgical testing, working capital, expenses of the offer and evaluation and acquisition of new projects.</p>								
<p>7 Dates of entering +securities into uncertificated holdings or despatch of certificates</p>	<p>7 May 2010</p>								
<p>8 Number and +class of all +securities quoted on ASX (including the securities in clause 2 if applicable)</p>	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;">Number</th> <th style="text-align: left;">+Class</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">511,500,704</td> <td>Ordinary Shares</td> </tr> <tr> <td style="text-align: center;">237,879,243</td> <td>Options exercisable at \$0.015, expiry 30 April 2012</td> </tr> <tr> <td style="text-align: center;">74,418,189</td> <td>Options exercisable at \$0.20, expiry 30 June 2010</td> </tr> </tbody> </table>	Number	+Class	511,500,704	Ordinary Shares	237,879,243	Options exercisable at \$0.015, expiry 30 April 2012	74,418,189	Options exercisable at \$0.20, expiry 30 June 2010
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	Number	+Class
9 Number and +class of all +securities not quoted on ASX (including the securities in clause 2 if applicable)	1,500,000	Options exercisable at \$0.20 on or before 30/04/13.
	545,000	Options exercisable at \$0.35 on or before 12/05/13.
10 Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)	N/A	

Part 2 - Bonus issue or pro rata issue

11 Is security holder approval required?	N/A
12 Is the issue renounceable or non-renounceable?	Non Renounceable
13 Ratio in which the +securities will be offered	Two (2) Shares for every three (3) Shares held together with one (1) free attaching Option for every five (5) new Shares subscribed for and allotted.
14 +Class of +securities to which the offer relates	Fully Paid Ordinary Shares
15 +Record date to determine entitlements	18 March 2010
16 Will holdings on different registers (or subregisters) be aggregated for calculating entitlements?	No
17 Policy for deciding entitlements in relation to fractions	Round Up
18 Names of countries in which the entity has +security holders who will not be sent new issue documents <small>Note: Security holders must be told how their entitlements are to be dealt with. Cross reference: rule 7.7.</small>	The entitlement issue is only open to shareholders based in Australia and New Zealand
19 Closing date for receipt of acceptances or renunciations	16 April 2010

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20	Names of any underwriters	CPS Securities
21	Amount of any underwriting fee or commission	N/A
22	Names of any brokers to the issue	CPS Securities
23	Fee or commission payable to the broker to the issue	A placement fee of 5% together with a 1% management fee on the total amount placed. 10,000,000 listed options exercisable at \$0.015, expiry 30 April 2012.
24	Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of +security holders	Nil
25	If the issue is contingent on +security holders' approval, the date of the meeting	N/A
26	Date entitlement and acceptance form and prospectus or Product Disclosure Statement will be sent to persons entitled	19 March 2010
27	If the entity has issued options, and the terms entitle option holders to participate on exercise, the date on which notices will be sent to option holders	11 March 2010
28	Date rights trading will begin (if applicable)	N/A
29	Date rights trading will end (if applicable)	N/A
30	How do +security holders sell their entitlements <i>in full</i> through a broker?	N/A
31	How do +security holders sell <i>part</i> of their entitlements through a broker and accept for the balance?	N/A

+ See chapter 19 for defined terms.

32	How do ⁺ security holders dispose of their entitlements (except by sale through a broker)?	N/A
33	⁺ Despatch date	10 May 2010

Part 3 - Quotation of securities

You need only complete this section if you are applying for quotation of securities

34 Type of securities
(tick one)

(a) Securities described in Part 1

(b) All other securities

Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid, employee incentive share securities when restriction ends, securities issued on expiry or conversion of convertible securities

Entities that have ticked box 34(a)

Additional securities forming a new class of securities

Tick to indicate you are providing the information or documents

35 If the ⁺securities are ⁺equity securities, the names of the 20 largest holders of the additional ⁺securities, and the number and percentage of additional ⁺securities held by those holders

36 If the ⁺securities are ⁺equity securities, a distribution schedule of the additional ⁺securities setting out the number of holders in the categories
1 - 1,000
1,001 - 5,000
5,001 - 10,000
10,001 - 100,000
100,001 and over

37 A copy of any trust deed for the additional ⁺securities

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Entities that have ticked box 34(b)

38	Number of securities for which +quotation is sought	N/A				
39	Class of +securities for which quotation is sought	N/A				
40	<p>Do the +securities rank equally in all respects from the date of allotment with an existing +class of quoted +securities?</p> <p>If the additional securities do not rank equally, please state:</p> <ul style="list-style-type: none"> • the date from which they do • the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment • the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment 	N/A				
41	<p>Reason for request for quotation now</p> <p>Example: In the case of restricted securities, end of restriction period</p> <p>(if issued upon conversion of another security, clearly identify that other security)</p>	N/A				
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