

ASX Release

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ASX Symbol: AVB, AVBO, AVBOB



DRILLING COMMENCED AT THE TOURO NICKEL PROJECT

The Company is very pleased to report that it has commenced a 2,000m diamond drilling program at its 100% owned Touro Nickel Project in the Carajas Province of Brazil. The drilling programme will test the coincident nickel, platinum and Induced Polarisation (IP) anomalous trends across the Touro Sill.

HIGHLIGHTS

- **Drilling has commenced at the Touro Nickel Project in Carajas Province of Brazil.**
- **The Company has identified numerous high priority targets to be tested with a 2,000m diamond core drilling programme.**
- **Induced Polarisation (IP) anomalies have been identified over a four kilometre trend. These show strong chargeabilities typical of sulphide mineralisation.**
- **Soil geochemistry has identified a significant trend of anomalously high nickel and platinum associated with the IP anomalies.**
- **Previously reported drill hole, TSD-01, intersected 130 metres at 0.09% nickel and confirmed the existence of sulphides and significant widths of nickel mineralisation within the Touro differentiated sill. Importantly, TSD-01 was drilled outside the IP anomalies.**
- **The Company has recently announced a fully underwritten non renounceable entitlements issue to raise \$5,112,324.**
- **Avanco is now in a strong position to: aggressively explore for nickel sulphide at its Touro Nickel Project, to develop the Rio Verde High Grade Copper Project and to pursue additional new growth opportunities in Brazil.**

TOURO NICKEL PROJECT

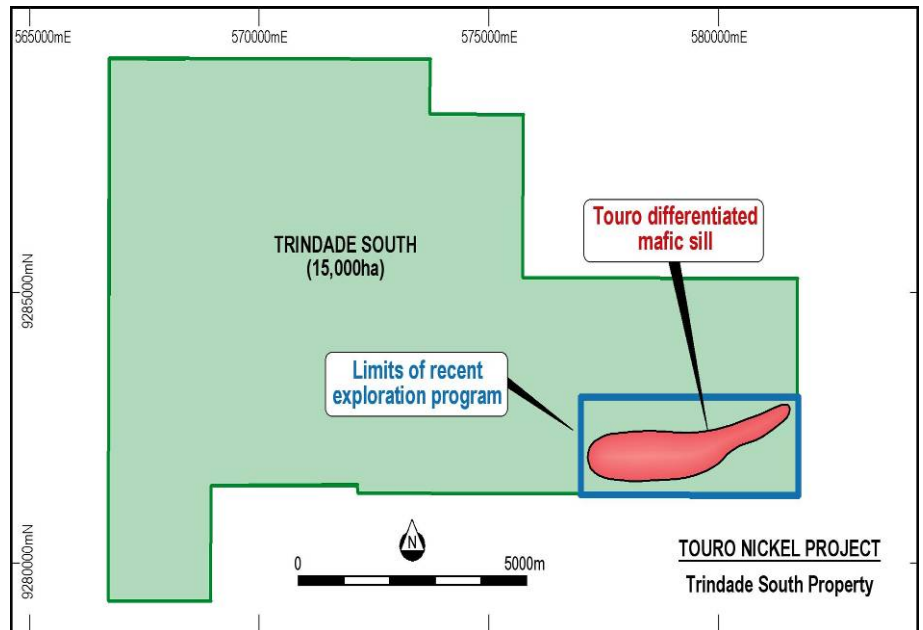
An extensive programme of geophysical and geochemical surveys have recently been completed with results interpreted to be extremely positive and supports the strong view that the Touro Sill may host high concentrations of nickel sulphides.

The Company's only drill hole into the Touro Sill, TSD-01, intersected 0.09% nickel over 130 metres and proved that significant widths of nickel mineralisation exist within the Touro Sill. Importantly TSD-01 was drilled prior to the completion of the geophysical surveys and did



Geophysics has highlighted new high priority nickel sulphide targets over the Touro Sill.

not test any of the IP anomalies the Company has since outlined. The Company is highly encouraged by these recent exploration results which continue to highlight the geological similarities to Mirabela Nickel's giant Santa Rita Nickel Project in the northeast of Brazil.



INDUCED POLARISATION

The Touro Sill was covered by a 200 metre line spaced dipole-dipole IP survey. In most lines, very strong chargeabilities, coincident with low resistivities were detected. The majority of the stronger IP anomalies are coincident with anomalous nickel and platinum in soils. Evaluation of this data suggests that the IP responses may be related to the existence of sulphide mineralisation. These are considered high priority drill targets.

GROUND MAGNETICS

A ground magnetic survey was undertaken across the entire Touro Sill. This has defined a four kilometre long magnetic anomaly trending east-west to east-northeast.

SOIL GEOCHEMISTRY

The project area was sampled on a 200m x 50m grid with samples being assayed for multi-elements by ICP analysis. The extensive nickel anomalous trend was also assayed for platinum group metals by fire assay. The results from the geochemistry indicate the existence of an extensive nickel soil anomaly with values >1,000ppm nickel and peaks of up to 2,000ppm nickel. The anomalous area extends for over four kilometres along the same east-west to east-northeast orientation and aligns well with the magnetic trend. Evaluation of the platinum results show that 33% of the samples were >9 ppb platinum, with peaks of up to 38 ppb platinum. This outlines a major east-northeast platinum anomaly 3,200m long x 200m - 400m wide.

Platinum shows a strong correlation with nickel. It is also evident that



0.16% Nickel Gossan discovered at the Touro Nickel Project.



The Touro Nickel Project is located within the boundaries of Avanco's 100% owned Trindade South Property.



Sulphide mineralised drill core from drill hole TSD-01 which intersected 130m at 0.09% nickel.

the higher platinum values are coincident with the higher IP chargeability anomalous trend. This further supports the Company view that the IP anomalies may reflect the presence of underlying nickel sulphide mineralisation.

DRILLING PROGRAMME

The 2,000m diamond core drilling programme has commenced utilising one rig and will test the coincident nickel, platinum and Induced Polarisation (IP) anomalous trends across the Touro Sill. The drilling services are provided by an international contractor very familiar with the region. The drilling contractor has capacity to supply additional rigs as maybe requested by Avanco.

Target selection has been based on high IP chargeability with coincident low resistivity anomalies plus coincident nickel and platinum in soils. The first hole to be drilled in this programme, TSD-02, has been sighted to intersect a strong IP chargeability anomaly (50mv/v), showing coincident low resistivity (15 Ohm*m) with coincident soils of 1,249ppm nickel, 30ppb platinum and 16ppb paladium respectively. This initial 10 hole wide spaced drilling programme will extend to over 2,400m of strike along the Touro Sill.

CORPORATE

The Company has recently announce a non renounceable entitlements issue of approximately 204,492,948 Shares at an issue price of 2.5 cents each, on the basis of one (1) Share for every one and a half (1.5) Shares held on the record date, together with one (1) free attaching option for every five (5) shares applied for and allotted, to raise approximately \$5,112,324 (**Offer**). The offer is fully underwritten by CPS Securities.

Key Details of the Offer are:

- Funds raised will ensure that the Carajas Copper Project is advanced to a production decision later in 2010.
- Funds raised will allow for the current drill testing of the Touro Nickel Sulphide Project.
- Funds raised will allow for the evaluation and acquisition of additional copper and nickel projects in Brazil.
- Shareholders will be able to maintain exposure to the Company's highly prospective properties in the World Class Carajas Province of Brazil including the high grade Carajas Copper Project where the Company has previously published a inferred and indicated JORC Resource of 210,000t at 11.65% copper, containing 24,400t of copper.
- The Company will have a strong cash position to take



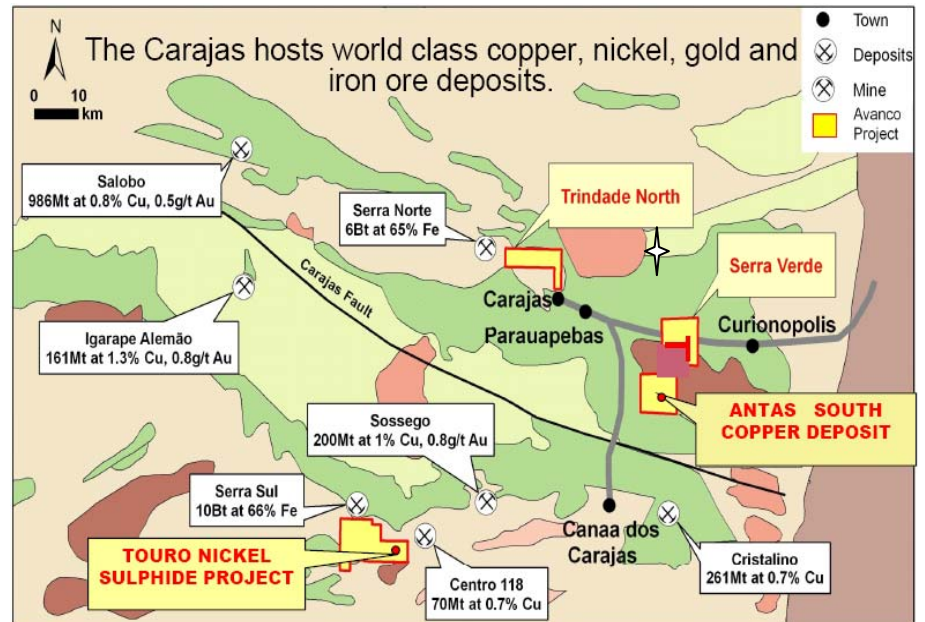
Avanco is coordinating the Touro Nickel activities from its central Carajas exploration facilities in Parauapebas.

advantage of opportunities that are constantly being presented to the Company in Brazil.

- The attaching options will be the existing (AVBOB) class of option and the Company will apply to have these options listed on the ASX

**Tony Polglase
Executive Director**

The information in this report that relates to Mineral Resources and Exploration Results are based on information compiled by Mr Matthew Wood who is a Member of the Australian Institute of Mining and Metallurgy. Mr Wood is the Chairman of Avanco Resources Limited. Mr Wood has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the 'Australian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Wood consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.



The Touro Nickel Project is located in the World Class Carajas Mineral Province, in northern Brazil.

Hole	Easting	Northing	Depth (M)	Azimuth	Dip
TSD-01	578778	9281432	430.1	360	55

Touro Nickel Project - Avanco Drill Hole TSD-01

