

ASX Release

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55 million options

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EXCEPTIONAL COPPER RESULTS FROM ANTAS SOUTH DRILLING

The Company is very pleased to report that exceptionally high grade oxide copper mineralisation has been intersected at the Carajas Copper Project in northern Brazil. The drilling results were returned from the Antas South Deposit at Avanco's 100% owned Rio Verde Property. The exceptional high grade and shallow intercepts are reported below:

**ARVA-17 38m at 7.49% Cu from 0m
including 14m at 18.99% Cu from 22m**

**ARVA-24 26m at 5.47% Cu from 18m
including 6m at 21.02% Cu from 32m**

**ARVA-49 20m at 5.12% Cu from 13m
including 4m at 21.53% Cu from 17m**

The drilling intersects confirm that the Antas South Deposit and the greater Rio Verde property host very high grade copper oxide zones. The existence of high value copper at surface will significantly enhance the potential project economics of the Rio Verde Mine development by facilitating early mining of high grade, free-digging starter-pits with the benefit of little or no waste pre-strip. The drilling results indicate that the length of the high grade zone may extend to over 300m of strike length. Additional results for the Antas South Deposit include:

**ARVA-02 34m at 0.70% Cu from 0m
including 12m at 1.22% Cu from 4m**

**AVRA-08 26m at 1.02% Cu from 0m
including 8.00m at 1.63% Cu from 2m
including 4m at 1.48% Cu from 20m
12m at 1.11% Cu from 36m**

**ARVA-12 16m at 1.00% Cu from 36m
including 8m at 1.45% Cu from 40m**

**ARVA-22 42m at 0.54% Cu from 0m
Including 12m at 1.04% Cu from 22m**

ARVA-27 20m at 1.24% Cu from 0m

**ARVA-30 10m at 0.77% Cu from 4m
11m at 1.65% Cu from 40m
including 2m at 7.05% Cu from 48m**





Visible High Grade Copper Oxide mineralisation in drill Chips. High grade zones include **38m at 7.5% Cu from surface**

ARVA-31	10m at 1.13% Cu from 0m
ARVA-32	40m at 0.65% Cu from 0m including 10m at 1.02% Cu from 20m
ARVA-45	62m at 0.84% Cu from 0m including 32m at 1.17% Cu from 20m
ARVA-46	14m at 1.17% Cu from 0m including 8m at 1.56% Cu from 4m

ANTAS SOUTH DEPOSIT HIGHLIGHTS

- Mineralisation now delineated over a strike length of two kilometres and is open to the southeast.
- A very high grade zone (**+5% copper**) recently discovered is interpreted to extend for over 300m of strike length.
- High grade +1.0% Cu mineralisation from surface to 50m (true) depth.
- Drill results will be included in a maiden JORC resource estimate scheduled for fourth quarter 2008.
- Field reconnaissance has discovered copper showings at surface outside the main Antas South soil anomaly.
- Additional High grade copper oxide mineralisation has been discovered at Antas North Deposit. The full potential is yet to be investigated.

CARAJAS COPPER PROJECT UPDATE

There are six known copper targets Within the boundaries of the 9,300ha 100% owned Rio Verde property, including Antas North and Antas South. The Lazinho, Capivara, Paulinho and Clovis targets are yet to be drilled to test for potential to host oxide copper deposits. The greater area is believed to host as yet further undiscovered ore bodies.

Exploration drilling at the Carajas Copper Project commenced in January 2008. To date, 73 diamond core holes for over 5,200m have been completed at the Antas South and Antas North Deposits. A further 65 RC/Air Core holes for 3,200m have been drilled at the Antas South Deposit. The Company anticipates completion of a further 7,000m of additional RC/Air Core drilling prior to year end. This program will target





Exceptional Drilling Results:

ARVA-17
38m at 7.49% Cu from 0m
including 14m at 18.99% Cu
from 22m

ARVA-24
26m at 5.47% Cu from 18m
including 6m at 21.02% Cu
from 32m

ARVA-49
20m at 5.12% Cu from 13m
Including 4m at 21.53% Cu
from 17m

the following:

- Antas South and Antas North grade control drilling
- Further definition +5% orebody
- Step out drilling west of Antas South Deposit
- Initial drilling at Lazinho and Capivara Targets

The Company is now targeting an initial JORC Resource for the Antas South Deposit in the fourth quarter of 2008.

Drilling at the nearby Antas North Deposit commenced in July 2008 and although an initial drill hole returned very good results with +1% copper, it was evident after another ten drill holes that ground conditions were not conducive for satisfactory sample recoveries using diamond drilling. Consequently drilling activities at Antas North were suspended. Avanco will re-drill Antas North using RC drilling.

The recent discoveries of exceptionally high grade copper intercepts at Antas South prove that the Rio Verde property is host to high value zones which the Company believes will be beneficial to early project economics. Avanco envisages the development of shallow, open pit and free digging copper oxide deposits which are amenable to traditional leach and copper cathode production. This strategy is now being fast tracked with near term development activities including:

- JORC compliant resources estimate fourth quarter
- Vat Leach SX-EW metallurgical testing
- Trial Mining License application
- Prefeasibility study for +10,000tpa copper cathode production

The Rio Verde Property is located in a premier location for the development of a mining project and is close to sealed roads and power supplies. The project is located approximately 30 kilometres from Parauapebas, the regional capital, with a population in excess of 180,000 and growing. The Company is of the view that a potential mining development would benefit greatly from this location.

NEW COPPER PROJECTS UP-DATE

Avanco's Carajas Copper Project includes the Serra Verde and Trindade properties, both of which Avanco holds the rights to an option for 100% of tenure. The **Serra Verde Property** (7,500ha granted) is located two kilometres north of Rio Verde Property. The Company has reviewed historical data and considers the property to be prospective for oxide copper with a number of "near surface" high grade copper zones presenting drill targets.





High grade drill core from Antas South Deposit where the visible copper oxide mineralisation is associated with saprolite host rock

The Company has further strengthened its position in the Carajas by acquiring four additional exploration licenses considered prospective for copper. These properties relate to two discrete areas, Trindade North and Trindade South, with a combined area of 14,700ha. The **Trindade North Property** is a single tenement and is located proximal to Vale's world class N4 and N5 iron ore mines. Wide spaced soil geochemistry completed by Avanco has indicated that Trindade North is anomalous for copper and iron ore. The Company has planned further soil geochemistry and a ground magnetic survey. The **Trindade South Property** comprises three contiguous tenements. Wide spaced soil geochemistry completed by Avanco confirm anomalous copper and nickel. The Trindade South property is close to Vale's southern iron ore formation and the Company considers these tenements prospective for copper, nickel and iron ore.

The Company continues to seek to expand its influence in the Carajas Province. A number of new oxide copper opportunities are being evaluated with a number of projects in the final stages of negotiations.

AVANCO'S EXPANDING OPPORTUNITIES

Throughout 2007 and 2008 Avanco has examined a number of opportunities relating to other commodities and Brazilian mineral provinces. Avanco has now compiled a significant asset portfolio. Those projects with approved exploration licenses, or with "priority rights" are:

- Central Brazilian Gold Project
- Bahian Copper-Lead-Zinc Project
- Xingu Iron Project
- Paiui Manganese Projects

Central Brazilian Gold

The Rio Uru Project was subjected to limited exploration activities by Western Mining Corporation (WMC) in the 1980's. WMC delineated a well defined gold in soil anomalous trend extending over 8km with widths of 300m to 1,100m. The main areas of soils interest are the Pilar, Barro Alto and Mambuca anomalies. The Pilar anomaly is believed to be the best potential target and measures 950m long by 100m to 300m wide, based on a 32 ppb gold contour. Pilar has a high grade soil zone with gold values greater than 165 ppb. Mambuca is located on the southeast extreme of the soils anomaly and is defined by a 32 ppb gold contour 500m long by 300m wide and is completely open in the southeast direction.

Avanco's 18 tenements that surround the central Rio Uru Property cover an extensive area. References given on geological maps indicate potential





The Avanco office is firmly established to expand its influence in the Carajas. The Company's facilities are in place to support the project management and development of Antas South Deposit and a potential pipeline of copper oxide deposits at Rio Verde

in the area not only for gold but also for the discovery of copper, nickel and titanium. Avanco has yet to fully evaluate the potential of the Rio Uru Project and greater areas. The company is currently evaluating potential joint ventures over this project with a number of partners with the aim of accelerating gold and base metals exploration.

Bahian Copper-Lead-Zinc Project

This project comprises ten contiguous tenements anomalous for copper, lead and zinc. The site is located near the village of Cafarnaum in the interior of Bahia State. A reconnaissance site visit and report undertaken by an independent consultancy group confirmed the prospectivity of the project area. Analysis of rock chip samples collected from the area returned high base metal values. The Company has recently moved to increase its tenure in the area.

Paiui Manganese Project

These exploration tenements are under application with "priority rights". The project area is located close to the town of Sebastiao Barros on the Paiui-Bahia State border. The region is known to host manganese occurrences and manganese showings have been identified on the property.

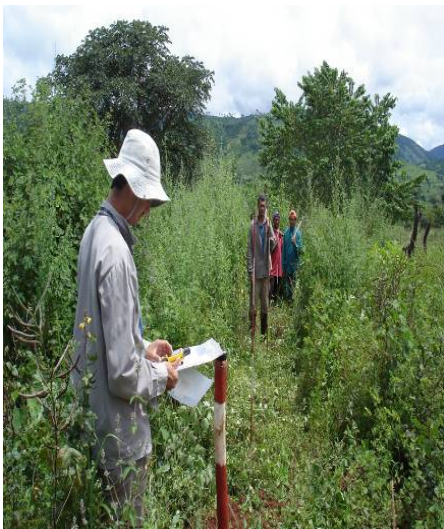
Xingu Iron Ore Project

The Xingu Iron Project covers an area of approximately 100,000ha in the north of Brazil in Para State. The project is prospective for iron ore and is strategically located on the major Xingu River. This affords an easy water transport route for potential ore logistics. On completion of a satisfactory due diligence exercise, Avanco expects to enter into a final and binding agreement to acquire 100% of Xingu Iron Project. The Company will provide more detailed information relating to the above projects over the coming months.

Avanco through its subsidiaries AVB Mineracao, Avanco Resources Mineracao and Estrela Mineracao has made further applications for prospective copper, iron ore and manganese exploration areas. The Company expects to be able to release further news on these projects in the coming months as tenure status is confirmed.

CORPORATE

The development of the Carajas Copper Project into a commercial and profitable mining operation is Avanco's major focus. Consequently, a new company "**Estrela Metals Limited**" has been formed to spin off



Avanco soil testing at Trindade North and Trindade South has identified copper, nickel and iron ore anomalies.





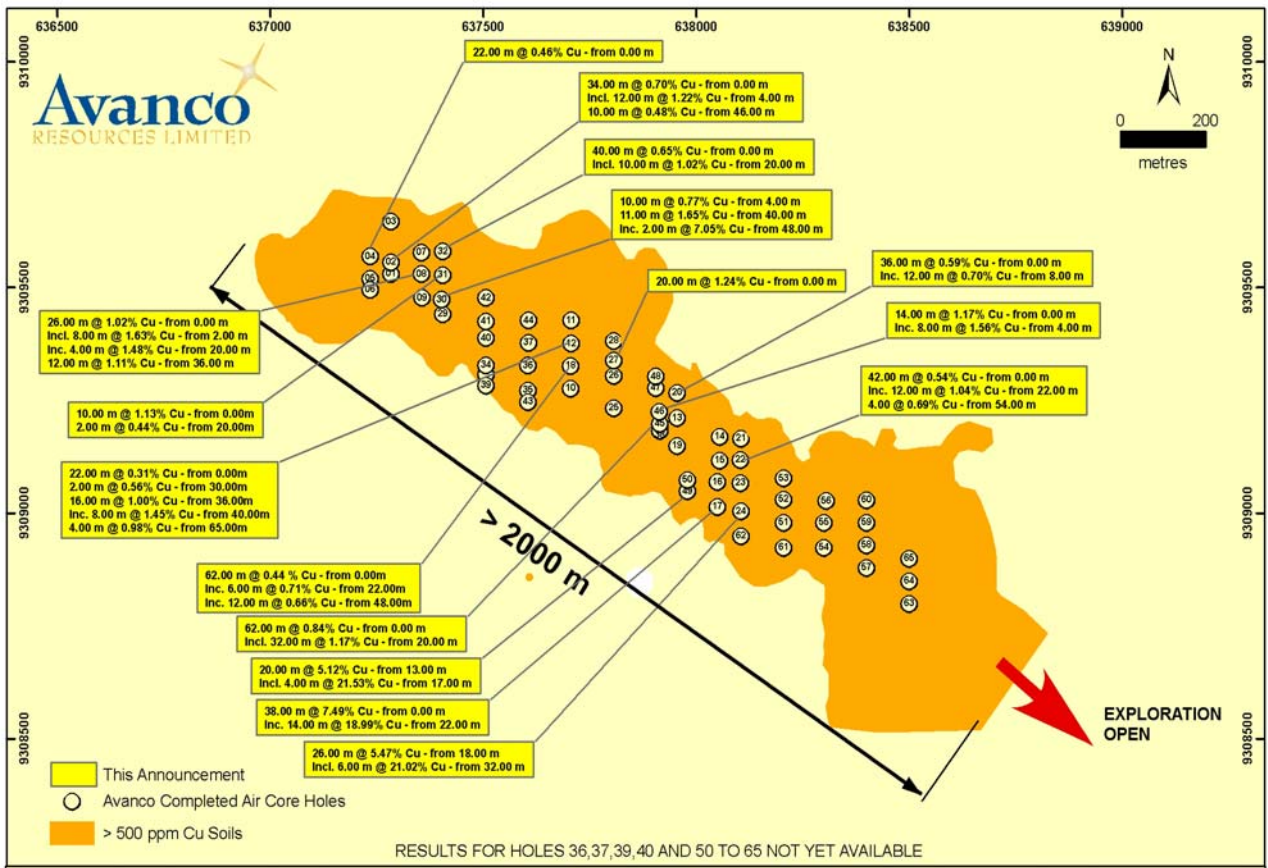
Avanco's iron and manganese portfolio. This assures a focus on Carajas Copper whilst allowing the considerable value in the iron ore and manganese projects to be examined and realised independently

The Company went into voluntary suspension on 16 July 2008 for the purpose of completing a funding arrangement to take the Company forward. This has been hampered by the considerable turmoil on international and domestic markets. Drilling operations have now been temporarily suspended and expenditures are being minimised to conserve remaining cash. The Company continues to assess a number of options with the aim of taking the Company out of suspension.

Tony Polglase
Managing 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.





CARAJAS COPPER PROJECT

ANTAS SOUTH INFILL AIR CORE DRILL HOLE MAP



ANTAS SOUTH DEPOSIT RC - AIR CORE DRILLING RESULTS - Sept 2008

HOLE ID	UTM E (X)	UTM N (Y)	Az	Dip	Depth (m)	FROM (m)	TO (m)	WIDTH (m)	Cu (%)
ARVA-01	637284	9309532	180	-60	54.00	0.00	18.00	18.00	0.46
						36.00	38.00	2.00	0.44
						46.00	52.00	6.00	0.25
ARVA-02	637284	9309557	180	-60	70.00	0.00	34.00	34.00	0.70
						Incl. 4.00	16.00	12.00	1.22
						46.00	56.00	10.00	0.48
ARVA-03	637284	9309647	180	-60	37.00				0
ARVA-04	637235	9309570	360	-60	28.00	0.00	22.00	22.00	0.46
ARVA-05	637235	9309521	360	-60	48.00	28.00	40.00	12.00	0.34
ARVA-06	637235	9309496	360	-60	22.00				0
ARVA-07	637355	9309579	360	-60	45.00	2.00	44.00	42.00	0.35
						Incl. 2.00	8.00	6.00	0.41
						Incl. 22.00	44.00	22.00	0.40
ARVA-08	637355	9309531	360	-60	49.00	0.00	26.00	26.00	1.02
						Incl. 2.00	10.00	8.00	1.63
						Incl. 20.00	24.00	4.00	1.48
						36.00	48.00	12.00	1.11
ARVA-09	637356	9309478	360	-60	64.00	0.00	2.00	2.00	0.29
						24.00	28.00	4.00	0.26
						38.00	42.00	4.00	0.23
						53.00	59.00	6.00	0.53
ARVA-10	637705	9309277	360	90	71.00	0.00	8.00	8.00	0.35
						58.00	66.00	8.00	0.40
ARVA-11	637706	9309428	360	-60	49.00	0.00	20.00	20.00	0.36
						Incl. 8.00	12.00	4.00	0.50
						26.00	28.00	2.00	0.20
						38.00	40.00	2.00	0.26
ARVA-12	637706	9309377	360	-60	75.00	0.00	22.00	22.00	0.31
						30.00	32.00	2.00	0.56
						36.00	52.00	16.00	1.00
						Incl. 40.00	48.00	8.00	1.45
						65.00	69.00	4.00	0.98
ARVA-13	637955	9309212	180	-60	45.00				0
						73.00	75.00	2.00	0.33
ARVA-14	638056	9309171	360	-60	29.00				0
ARVA-15	638056	9309118	360	-60	38.00	20.00	26.00	6.00	0.59
ARVA-16	638050	9309070	360	-60	21.00	10.00	14.00	4.00	0.26



HOLE ID	UTM E (X)	UTM N (Y)	Az	Dip	Depth (m)	FROM (m)	TO (m)	WIDTH (m)	Cu (%)
ARVA-17	638050	9309015	360	-60	50.00	0.00	38.00	38.00	7.49
						Incl. 22.00	36.00	14.00	18.99
ARVA-18	637705	9309327	360	-60	67.00	0.00	62.00	62.00	0.44
						Incl. 22.00	28.00	6.00	0.71
						Incl. 48.00	60.00	12.00	0.66
ARVA-19	637955	9309150	180	-60	54.00	2	20	18	0.61
						36	38	2	0.35
ARVA-20	637956	9309268	180	-60	60.00	0.00	36.00	36.00	0.59
						Incl. 8.00	20.00	12.00	0.70
ARVA-21	638105	9309167	180	-60	39.00	38.00	39.00	1.00	0.70
ARVA-22	638104	9309119	180	-60	62.00	0.00	42.00	42.00	0.54
						Incl. 22.00	34.00	12.00	1.04
						54.00	58.00	4.00	0.69
ARVA-23	638104	9309068	180	-60	53.00	0.00	16.00	16.00	0.25
ARVA-24	638105	9309005	360	-60	69.00	18.00	44.00	26.00	5.47
						Incl. 32.00	38.00	6.00	21.02
ARVA-25	637807	9309234	360	-60	50.00	2.00	16.00	14.00	0.37
						Incl. 10.00	14.00	4.00	0.68
ARVA-26	637807	9309289	360	-90	54.00	0.00	10.00	10.00	0.53
ARVA-27	637807	9309340	360	-60	47.00	0.00	20.00	20.00	1.24
ARVA-28	637807	9309383	360	-60	38.50				0
ARVA-29	637405	9309442	360	-60	32.00				0
ARVA-30	637402	9309474	360	-60	52.50	4.00	14.00	10.00	0.77
						40.00	51.00	11.00	1.65
						Incl. 48.00	50.00	2.00	7.05
ARVA-31	637405	9309529	360	-60	45.00	0.00	10.00	10.00	1.13
						20.00	22.00	2.00	0.44
						42.00	44.00	2.00	0.26
ARVA-32	637405	9309581	360	-60	48.30	0.00	40.00	40.00	0.65
						Incl. 20.00	30.00	10.00	1.02
						42.00	44.00	2.00	0.26
ARVA-33	637507	9309309	360	-60	50.00				0
ARVA-34	637507	9309329	360	-60	51.00	Results Pending			
ARVA-35	637605	9309273	360	-60	58.00				0
ARVA-36	637605	9309328	360	-60	84.00	Results Pending			
ARVA-37	637606	9309379	360	-60	58.00	Results Pending			
ARVA-38	637905	9309184	360	-60	44.00	6.00	12.00	6.00	0.41
ARVA-39	637507	9309284	360	-60	47.00	Results Pending			
ARVA-40	637506	9309389	360	-60	47.50	Results Pending			
ARVA-41	637507	9309426	360	-60	37.00				0
ARVA-42	637507	9309478	360	-60	36.00	1.00	5.00	4.00	0.29



HOLE ID	UTM E (X)	UTM N (Y)	Az	Dip	Depth (m)	FROM (m)	TO (m)	WIDTH (m)	Cu (%)
						17.00	19.00	2.00	0.25
ARVA-43	637605	9309248	360	-60	26.00	0.00	6.00	6.00	0.23
ARVA-44	637606	9309428	360	-60	44.50	0.00	10.00	10.00	0.32
ARVA-45	637905	9309199	360	-60	62.00	0.00	62.00	62.00	0.84
						Incl. 20.00	52.00	32.00	1.17
ARVA-46	637905	9309224	360	-60	42.00	0.00	14.00	14.00	1.17
						Incl. 4.00	12.00	8.00	1.56
						38.00	40.00	2.00	0.29
ARVA-47	637905	9309279	360	-60	37.00				0
ARVA-48	637905	9309304	360	-60	22.50				0
ARVA-49	637980	9309050N	360	-60	33.00	13.00	33.00	20.00	5.12
						Incl. 17.00	21.00	4.00	21.53
Intercepts +0.20% Cu with up to 2 meters of internal waste. All assays triple acid digest by AA									

