

**ASX Release**

**Tuesday 21 September 2010**

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**ASX Symbol:** AVB, AVBOB



**Avanco has completed 2,000m of diamond drilling at Rio Verde**

# EXCEPTIONALLY HIGH GRADE COPPER CONFIRMED AT THE RIO VERDE PROJECT

The Company is very pleased to advise that it has recently completed 34 diamond core drill holes for approximately 2,000m at its Rio Verde Copper Project in the Carajas region of Brazil. Assays for approximately half the programme at the JORC compliant Antas South Deposit have been returned with results confirming the existence of an exceptionally high grade copper zone within the greater resource area. This includes a spectacular intercept of:

**9 metres at 50.49% copper from 18 metres.**

Exceptionally high grade and shallow results for the high grade copper zone are:

<b>ARVD-72</b>	<b>6.15m at 8.06% Copper, from 38.0m Incl. 3.85m at 11.23% Copper from 40.2m</b>
<b>ARVD-74</b>	<b>2.0m at 8.09% Copper from 28.0m Incl. 1.0m at 11.83% Copper from 29.0m</b>
<b>ARVD-80</b>	<b>32.0m at 14.79% Copper from 1.0m Incl. 9.0m at 50.49% Copper from 18.0m</b>
<b>ARVD-81</b>	<b>1.0m at 14.00% Copper from 44.0m</b>

Avanco is evaluating the concept of using the high grade zone as a “springboard” to becoming a very near term copper producer with full exposure to an improving copper price. Additional results for the current program include:

<b>ARVD-69</b>	<b>1.0m at 10.89% Copper from 52.0m</b>
<b>ARVD-71</b>	<b>1.0m at 2.08% Copper from 17.0m Also 1.0m at 2.35% Copper from 29.0m</b>
<b>ARVD-73</b>	<b>3.0m at 2.19% Copper from 28.0m</b>
<b>ARVD-78</b>	<b>6.0m at 2.46% Copper from 47.0m</b>

Results for holes ARVD-83 to ARVD-102 are pending.



**Hole ARVD-80 has intersected +50% Copper over 9 metres.**

**This presents further support for pursuing a concept of direct-ship copper production at Rio Verde.**



**Avanco is advancing Rio Verde towards a decision to mine status**

The JORC compliant Antas South Deposit lies within the boundaries of the Rio Verde Copper Project for which the Company owns the rights to 100%. The recently completed 2,000m diamond drill core programme for 34 holes was designed to firm up the direct ship concept, recover representative samples for definitive metallurgical testing, improve resource confidence and to examine extensions along the strike.

The high grade zone was discovered by Avanco in 2008 when it completed 138 holes for 8,400m and subsequently published a maiden indicated and inferred JORC compliant resource for the Antas South Deposit indicating:

- An exceptionally high grade JORC resource of:
  - **210,000t at 11.65% copper, containing 24,400t of copper.**
- At a 0.3% copper cut-off the global copper oxide JORC resource is:
  - **8.0 Mt at 0.83% copper, containing 66,100t of copper.**
- At a 0.1% copper cut-off the global copper oxide JORC resource increases to:
  - **17.6 Mt at 0.48% copper, containing 84,400t of copper.**

The exceptionally high grade and near surface resource was discovered at the end of drill lines with very high grade copper results reported previously as:

- ARVA-17      38.0m at 7.49%Cu from 0m**  
**Incl. 14.0m at 18.99%Cu from 22.0m**  
**Incl. 4.0m at 50.6%Cu from 26.0m**
  
- ARVA-24      26.0m at 5.47%Cu from 18.0m**  
**Incl. 6.0m at 21.02%Cu from 32.0m**  
**Incl. 4.0m at 28.8%Cu from 32.0m**
  
- ARVA-49      20m at 5.12%Cu from 13.0m**  
**Incl. 4.00m at 21.53%Cu from 17.0m**  
**Incl. 2.00m at 34.1% Cu from 19.0m**

Avanco now believes that intersections containing +25% copper are associated with the presence of abundant chalcocite mineralisation ( $\text{Cu}_2\text{S}$ ) and represents a classical supergene enriched transition structure hosting both sulphide and oxide copper mineralisation. Cognisant that such extremely high grade copper systems are usually structurally controlled, the Company proceeded with a close spaced infill programme using tight drill lines to assure greater confidence in upgrading resource categories. The company has the expectation of moving the high grade zone into measured and indicated categories which will underscore the high value of the exceptionally high grade, shallow and easily exploitable nature of the deposit.



**Avanco has the local knowledge, people skills and the experience to build a copper mine in Brazil.**



**Massive chalcocite in Rio Verde drill core**

**Avanco is examining the ways of unlocking the very high value of the high grade copper zone at Rio Verde.**

**Proximal discoveries of similar exceptional high grade copper is highly probable as such high grade zones are not uncommon in the locality.**

With further pending assay results expected soon, the Company will be able complete the investigation into the feasibility of extracting direct ship copper ore. The application of this concept is an important feature of the deposit being attributed to the very shallow and high grade copper which is available for mining. The aforementioned tight drill pattern will also facilitate decision making on the direct ship scenario and will possibly negate the need for further pre production drilling.

Any direct ship concept offers the advantages of short revenue lead times with low pre production capital and minimal accompanying technical and commercial risks.

Avanco will collect representative samples of blocks of copper ore within the resource that fall outside of the direct shipping schedule or quality. These samples will be dispatched for definitive metallurgical testing expected to commence within the coming weeks. (*Preliminary flotation testing was previously reported - 14 Jan 2010*)

The outcomes of the above activities are critical and will serve to update the Rio Verde Mining Study (*previously reported - 08 Feb 2010*) over the remainder of 2010. The Company's objective is to finalise the study to provide support for a "decision to mine" before the end of 2010.

With the adjudication and award of mining contracts and other similar implementation activities expected to continue into the new year, pre-production stripping of the open-cut at Rio Verde is foreseen as being scheduled for the start of the dry season.

The flow of regulatory approvals is also key to moving Rio Verde towards a "decision to mine" status and having already received the more onerous "Operating Licence", the Company is not anticipating any difficulties associated with issuance of the Trial Mining Licence.

The Company has also identified new high grade copper targets to enhance the project's longevity. Additional high grade mineralised occurrences are known to exist at Rio Verde and at the proximal Serra Verde Property where channel sampling from an historic open cut has returned high grade results reported previously as:

- 4.5m at 16.50% copper and 4.1g/t gold
- 4.3m at 8.92% copper and 48.4g/t gold
- 9.6m at 3.44% copper and 3.29/t gold
- 9.0m at 5.81% copper and 4.48/t gold
- 2.0m at 7.77% copper
- 2.0m at 7.02% copper



### Carajas Mineral Province

- **Avanco has 4 high quality properties in the region and is seeking new acquisitions.**
- **Vale dominates the Carajas in copper, nickel and iron ore.**
- **Vale’s Carajas N4-N5 open cut is the world’s largest high grade iron ore mine.**
- **The giant Salobo Copper Mine is under construction with the Sossego Copper Mine already in production.**
- **Other mega-developments in Carajas include: Cristalino Copper Mine, Serra Sul Iron Mine and the Onca Puma Nickel Mine.**
- **With the expectation of in-situ iron ore royalties from the Trindade North Property Avanco anticipates shifting to a new operating level as a self-funded junior explorer/developer of copper and nickel projects in the Carajas.**

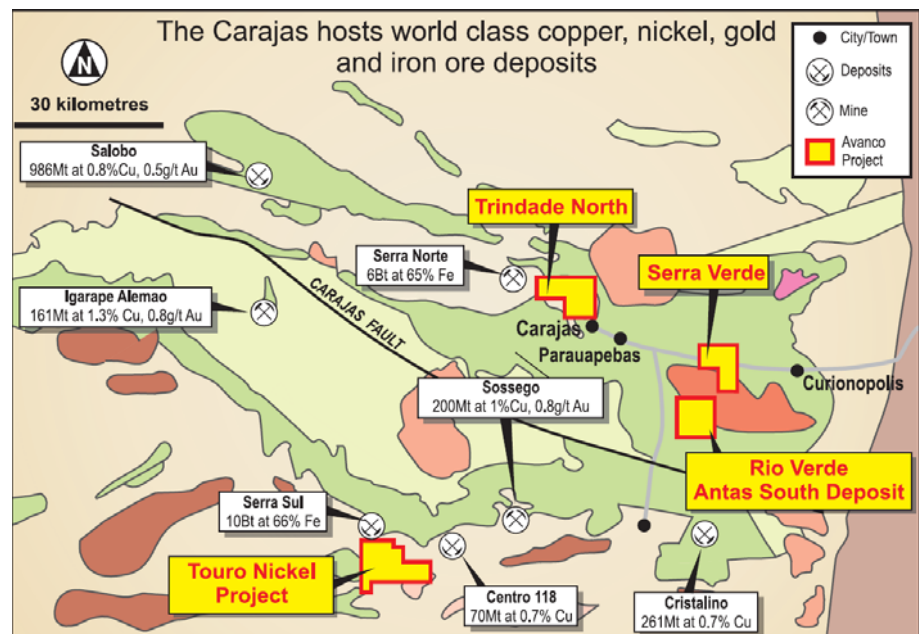
The potential associated with mining the remnant high grade from the Serra Verde open cut is being evaluated and a drill programme to test targets beneath and along strike from the open cut and as well across the numerous copper anomalies on at Serra Verde is being planned.

### CORPORATE

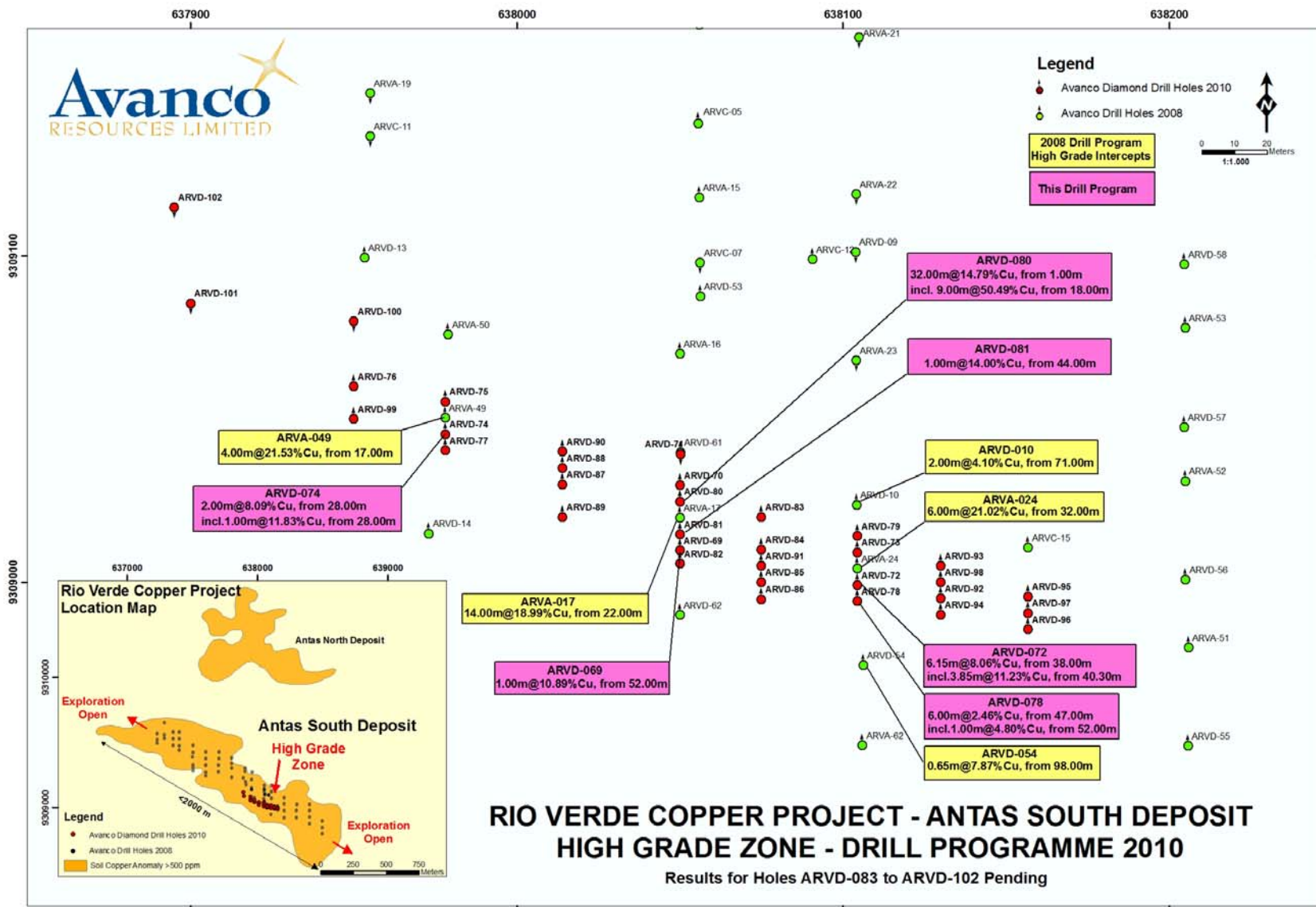
The Company recently advised that it had entered into a binding agreement with Brazilian major Vale SA. to provide them an option to acquire the Trindade North Property. With exploration over Trindade North now ceded to Vale, the Company remains committed to growing its position in copper and nickel sulphides whilst being ideally placed to benefit from any Vale iron ore drilling success.

With the expectation of in-situ iron ore royalties flow from the Trindade North Property, Avanco anticipates shifting to a new operating level as a self funded explorer/developer of copper and nickel projects in the Carajas. With the supply of copper under pressure from diminishing global resources Avanco is planning to use the Rio Verde High Grade Copper Project as a “springboard” to become a near term copper producer.

Tony Polglase  
Executive Director



Rio Verde and surrounding areas are very fertile for discoveries of copper-gold mineralisation and the company is seeking growth in the region.



ANTAS SOUTH HIGH GRADE ZONE - DIAMOND DRILL RESULTS - 2010									
Hole Id	Location		Incl. (Deg.)	Az. (Deg.)	Depth (m)	INTERCEPTS			
	UTM-E	UTM-N				From (m)	To (m)	Width (m)	Cu (%)
ARVD-069	638049.993	9309009.724	-60	360	70.20	0.00	18.80	18.80	0.44
						22.00	26.00	4.00	1.42
						23.00	25.00	2.00	1.94
						41.00	42.00	1.00	1.03
						47.00	48.00	1.00	1.01
						52.00	53.00	1.00	10.89
ARVD-070	638050.004	9309029.719	-60	360	50.00	4.00	26.00	22.00	0.36
ARVD-071	638050.162	9309039.294	-53	180	49.00	1.00	35.00	34.00	0.65
						16.00	19.00	3.00	1.37
						17.00	18.00	1.00	2.08
						26.00	32.00	6.00	1.26
						29.00	30.00	1.00	2.35
ARVD-072	638104.5	9308999.1	-60	360	82.70	9.00	45.00	36.00	1.78
						34.00	38.00	4.00	1.16
						38.00	44.15	6.15	8.06
						40.30	44.15	3.85	11.23
ARVD-073	638104.4	9309009.1	-60	360	55.65	7.00	34.00	27.00	0.69
						28.00	31.00	3.00	2.19
ARVD-074	637978.1	9309045.4	-60	360	38.50	26.00	28.00	2.00	0.69
						28.00	30.00	2.00	8.09
						28.00	29.00	1.00	11.83
ARVD-075	637978.1	9309055.4	-60	360	57.00	2.00	8.00	6.00	0.31
						49.00	50.00	1.00	0.96
ARVD-076	637949.998	9309059.992	-60	360	50.00	37.10	37.65	0.55	6.89
ARVD-077	637978.1	9309040.4	-60	360	50.00	32.00	33.00	1.00	1.37
						35.00	37.00	2.00	0.40
ARVD-078	638104.5	9308994.1	-60	360	60.00	14.00	54.00	40.00	0.67
						44.00	47.00	3.00	1.45
						47.00	53.00	6.00	2.46
						52.00	53.00	1.00	4.80
ARVD-079	638104.4	9309014.1	-60	360	36.00	10.00	23.00	13.00	0.51
						16.00	18.00	2.00	0.93
ARVD-080	638050.0	9309024.7	-60	360	40.00	1.00	33.00	32.00	14.79
						18.00	27.00	9.00	50.49
ARVD-081	638050.0	9309014.7	-60	360	53.90	0.00	29.00	29.00	0.82
						12.00	17.00	5.00	2.17
						39.00	44.00	5.00	1.16
						44.00	45.00	1.00	14.00
ARVD-082	638050.0	9309005.7	-60	360	67.00	0.00	21.00	21.00	0.37
						17.00	19.00	2.00	1.00
						26.00	29.00	3.00	0.24
						63.70	64.95	1.25	1.69
ARVD-083	638075.0	9309020.0	-60	360	47.80				Results Pending
ARVD-084	638074.997	9309010.005	-60	360	60.00				Results Pending
ARVD-085	638075.0	9309000.0	-60	360	67.50				Results Pending
ARVD-086	638075.015	9308994.745	-60	360	66.85				Results Pending
ARVD-087	638014.0	9309030.0	-60	360	50.00				Results Pending
ARVD-088	638014.0	9309035.0	-60	360	45.00				Results Pending
ARVD-089	638014.0	9309020.0	-60	360	70.00				Results Pending
ARVD-090	638014.0	9309040.0	-60	360	42.00				Results Pending
ARVD-091	638075.0	9309005.0	-60	360	65.00				Results Pending
ARVD-092	638130.0	9308995.0	-60	360	60.00				Results Pending
ARVD-093	638130.013	9309005.001	-60	360	57.90				Results Pending
ARVD-094	638130.013	9308990.011	-60	360	68.00				Results Pending
ARVD-095	638156.8	9308995.5	-60	360	60.00				Results Pending
ARVD-096	638156.8	9308985.5	-60	360	62.60				Results Pending
ARVD-097	638156.8	9308990.5	-60	360	62.00				Results Pending
ARVD-098	638130.0	9309000.0	-60	360	56.40				Results Pending
ARVD-099	637950.0	9309050.0	-60	360	80.00				Results Pending
ARVD-100	637950.0	9309080.0	-60	180	63.00				Results Pending
ARVD-101	637900.0	9309085.5	-50	180	60.00				Results Pending
ARVD-102	637895.0	9309115.0	-50	180	59.00				Results Pending

The information in this report that relates to mineral resources or ore resources is based on information compiled by Mr. Peter Ball who is a member of the Australian Institute of Mining and Metallurgy. Mr. Ball is the manager of Data Geo. Mr. Ball 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 Exploration Results, Mineral Resources and Ore Reserves. Mr. Ball consents to the inclusion in the report of the matter based on his information in the form and context in which it appears.

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.

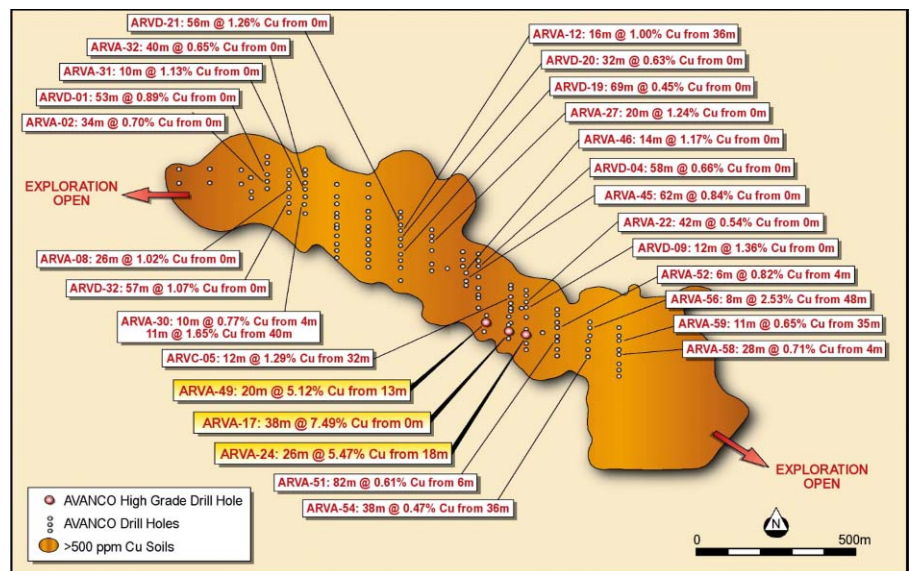
## 2008 Maiden JORC Resource Estimate

### Antas South Deposit\* - Oxide and Transitional

All Material	Indicated		Inferred		Total Resource		
Cu % Cut	Tonnes	Cu%	Tonnes	Cu %	Tonnes	Cu%	Cu Tonnes
0.1	12,662,000	0.45	4,961,000	0.56	17,622,000	0.48	84,400
0.3	6,254,000	0.71	1,723,000	1.27	7,977,000	0.83	66,100
HGZ**	89,000	12.72	121,000	10.87	210,000	11.65	24,500

\* Antas South is part of the Rio Verde Property

\*\*The HGZ (High Grade Zone) is included within the overall estimation and no top-cut has been applied to the resource in this zone.



**Antas South Deposit 2008 Drill Program Map**