

ASX Release

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ASX Symbol: AVB, AVBO,
AVBOB



The high grade zone was discovered at the end of drill lines. Other high grade zones exist and have yet to be drilled.

HIGH GRADE COPPER PROJECT METALLURGICAL RESULTS

The Company is very pleased to provide an update on metallurgical test work that has been undertaken on Avanco's 100% owned Rio Verde high grade copper project.

HIGHLIGHTS

- **Traditional flotation process suitable for efficient beneficiation of the Company's high grade copper project.**
- **JORC resource of 210,000t at 11.6% Copper¹.**
- **Produces commercial grade copper concentrates at 20.5% copper in concentrate.**
- **+75% copper recovery into saleable concentrates demonstrated and with optimisation metallurgical performance is expected to improve.**
- **Scoping study on the Rio Verde high grade copper project nearing completion.**
- **Starter project has potential to provide "out of the pit" parcels of direct saleable ores. This new strategy offers the Company a very low cost project start up scenario.**

Recent metallurgical test work has demonstrated that the Antas South Deposit (210,000t at 11.6% copper)¹ is amenable to the application of traditional flotation processes for the production of commercial concentrates.

A typical sample of high grade copper ore has been tested at independent metallurgical facilities in Perth WA. Sighter flotation test work confirmed a recovery of 76.7% copper into a 20.5% copper concentrate using a conventional rougher scavenger flotation flow sheet. The mass represented by the final combined concentrate was 43% of flotation feed, the grind size in preparation for flotation was 80% passing 100 microns.

The flow sheet simulated comprised a typical rougher scavenger configuration to produce sequential copper sulphide and copper oxide concentrates. Recovery of the copper oxides followed pre-flotation of sulphide copper minerals. The recovery of copper oxides was affected using a common industrial sulphidising flotation reagent as practiced in the Zambian Copper Belt. The Company is highly encouraged by the results and believes that with optimisation, including the option to introduce cleaner flotation stages, that copper recovery and concentrate grades can be improved further.

The metallurgical process route adopted has the advantage of producing

separate copper sulphide and oxide concentrates which can be combined or marketed separately to maximise returns. This is important for domestic off-take opportunities which can offer premiums on LME prices. Flotation tailings containing approximately 2% copper will be stockpiled and retreated in the expanded heap-leach SX-EW project.



Sulphide copper flotation from Antas South high grade Zone

A scoping study on the high grade starter project is nearing completion. With improving copper prices the Company has re-examined resource data to evaluate the feasibility of producing early parcels of "out of the pit" saleable ore that can be directly transported to smelters. Avanco is currently talking to a number of domestic and international parties interested in direct ship copper off-take. This strategy applied at the early stages of the starter project offers a low cost start-up scenario and potentially provides the Company with an alternative to seeking project funding. The direct-ship component of Antas South resource has been delineated to extend from surface to more than 30m depth and is open on strike. Open cut mining will be largely free digging with a minimal pre-strip requirement.

The Company has previously completed 8,500m of drilling at the Antas South Deposit and outlined an indicated and inferred JORC resource of 210,000t at 11.6% copper¹. This high grade zone is open along strike and at depth. Further drilling will be required to upgrade the resource into the measured and indicated categories as well as expanding the size of the resource. Additional proximal high grade zones are also known to exist at Rio Verde and remain to be drill tested.

An exceptionally high grade indicated and inferred JORC resource at the Antas South Deposit, has been previously reported as:

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.**



Avanco used the application of sulphidised flotation to recover the Antas South copper oxides

Tony Polglase
Executive Director

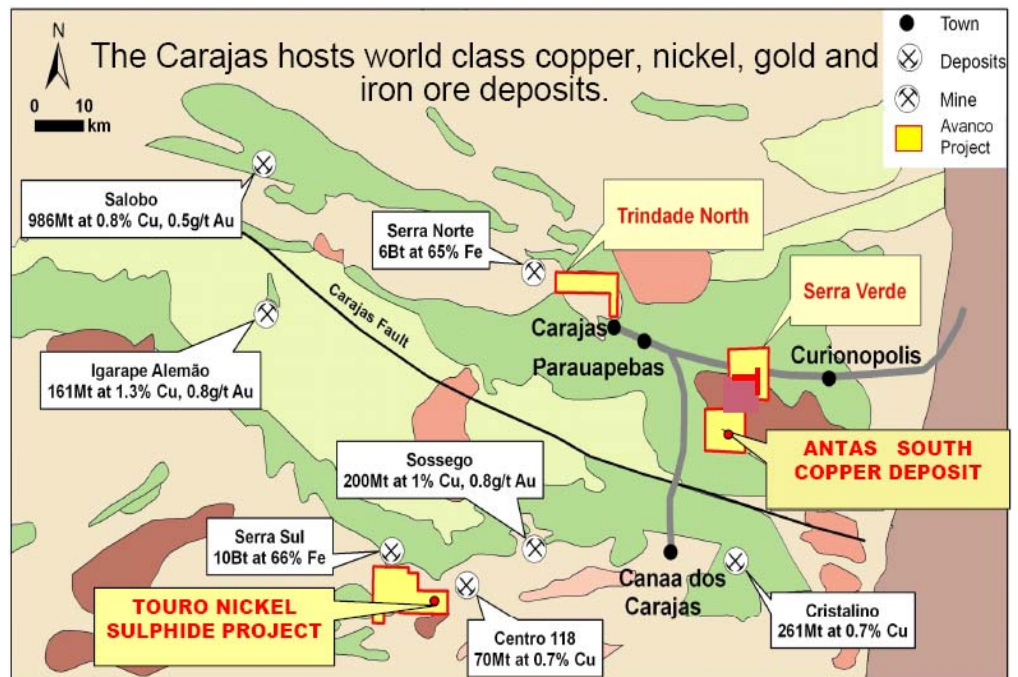
The information in this report that relates to mineral resources or ore resources is based on information compiled by Mr. Peter Ball who is a member of the Australian Institute of Mining and Metallurgy. Mr. Ball is the manager of Data Geo. Mr. Ball has sufficient experience which is relevant to the style 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.

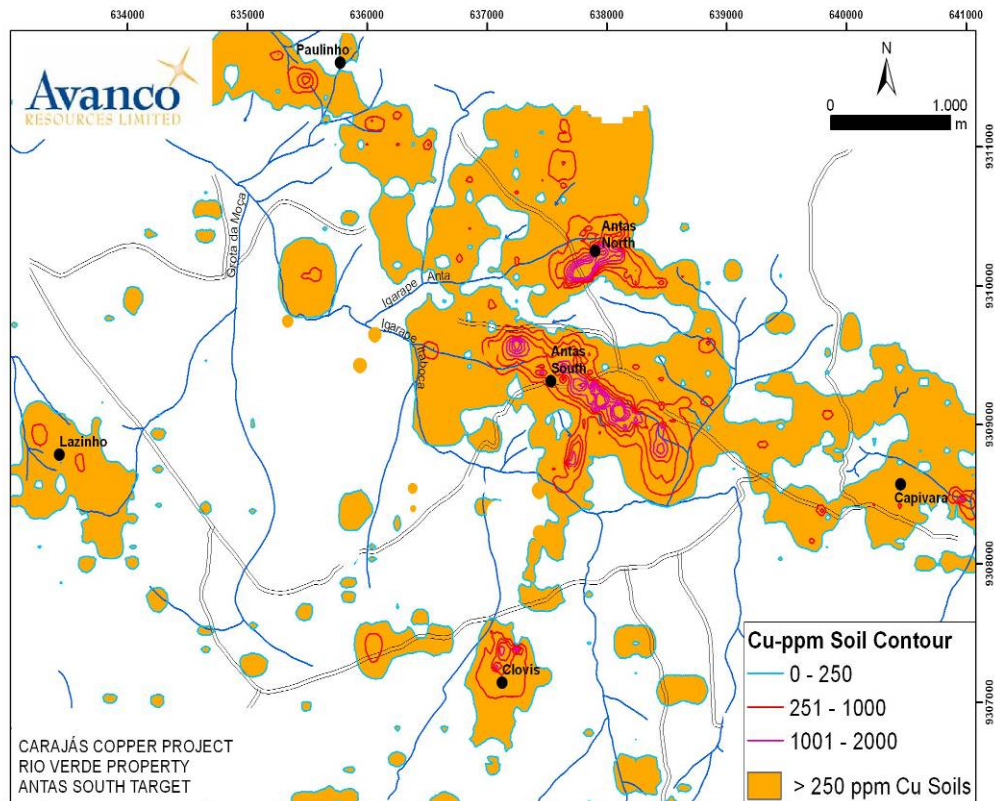
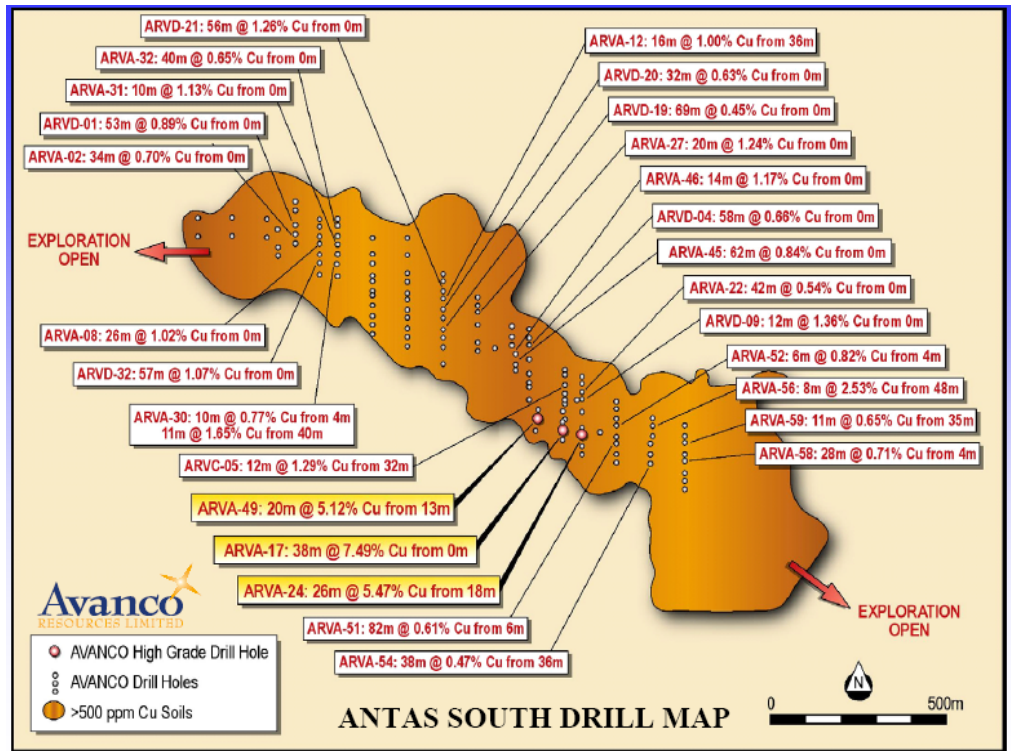
The information in this report that relates to Mineral Resources and Exploration Results are based on information compiled by Mr Matthew Wood who is a Member of the Australian Institute of Mining and Metallurgy. Mr Wood is the Chairman of Avanco Resources Limited. Mr Wood has sufficient experience which 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.

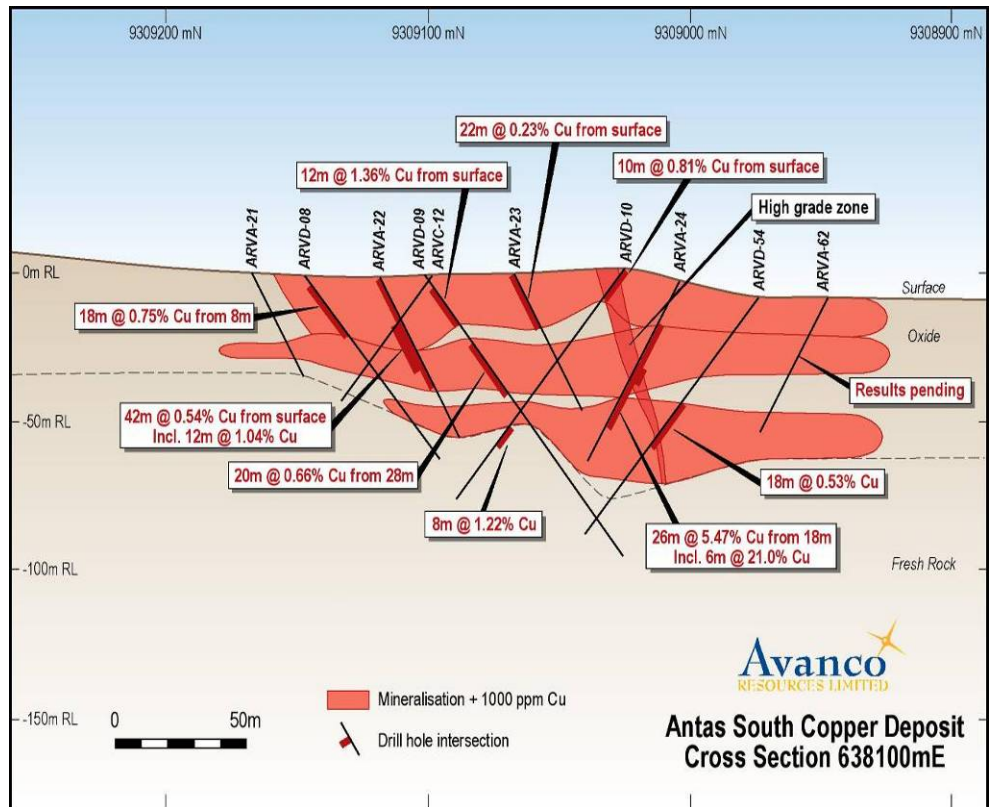
HIGH GRADE COPPER PROJECT MET. TESTING RESULTS

PRODUCT	MASS			Cu			
	g	%	Cum%	%	%dist	Cum %	Cum %dist
Ro. Conc. 1	53.4	10.9	10.9	37.06	35.3	37.06	35.3
Ro. Conc. 2	62.9	12.8	23.7	12.08	13.5	23.55	48.8
Ro. Conc. 3	42.1	8.6	32.3	18.97	14.2	22.33	63.0
Ro. Conc. 4	51.2	10.4	42.7	14.99	13.7	20.54	76.7
Ro. Tail	281.1	57.3	100.0	4.65	23.3	11.43	100.0
Calc'd Head	490.7	100.0		11.43	100.0		
Assay Head				12.38			

Antas South High Grade Zone - Flotation Results and Mass balance showing 76.7% Cu recovery into a 20.5% Cu final concentrate with a 2.3 concentration ratio.







¹JORC Resource Estimate - Carajas Copper Project

Antas South Deposit* - Oxide and Transitional

All Material Cu Cut %	Indicated		Inferred		Total Resource		
	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 Carajas Copper Project - 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