

ASX Release

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AVANCO RESOURCES LIMITED

Level 1 / 33 Richardson Street
West Perth , Australia WA 6872
Tel: +61 8 9321 6600
Fax: +61 8 9200 4469

Contact:

Tony Polglase
Executive Director

E-mail: info@avancoresources.com

Tel: +61 8 9321 6600

For the latest news:

www.avancoresources.com

Directors / Officers:

Matthew Wood
Tony Polglase
Scott Funston
Antonio Madalosso

ASX Symbol: AVB, AVBO, AVBOB



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

HIGH PRIORITY DRILL TARGETS IDENTIFIED AT THE TOURO NICKEL PROJECT

The Company is very pleased to announce the completion of geophysical and geochemical exploration programmes at the Touro Nickel Project in Brazil. The results have outlined strong and coincident nickel, platinum and Induced Polarisation (IP) anomalous trends across the Touro Sill. The Company anticipates drill testing these priority targets over coming months.

HIGHLIGHTS

- 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, TSD01, intersected 130 metres at 0.09% nickel and confirmed the existence of sulphides and significant widths of nickel mineralisation within the Touro differentiated sill.
- The Company has identified numerous high priority drill targets.

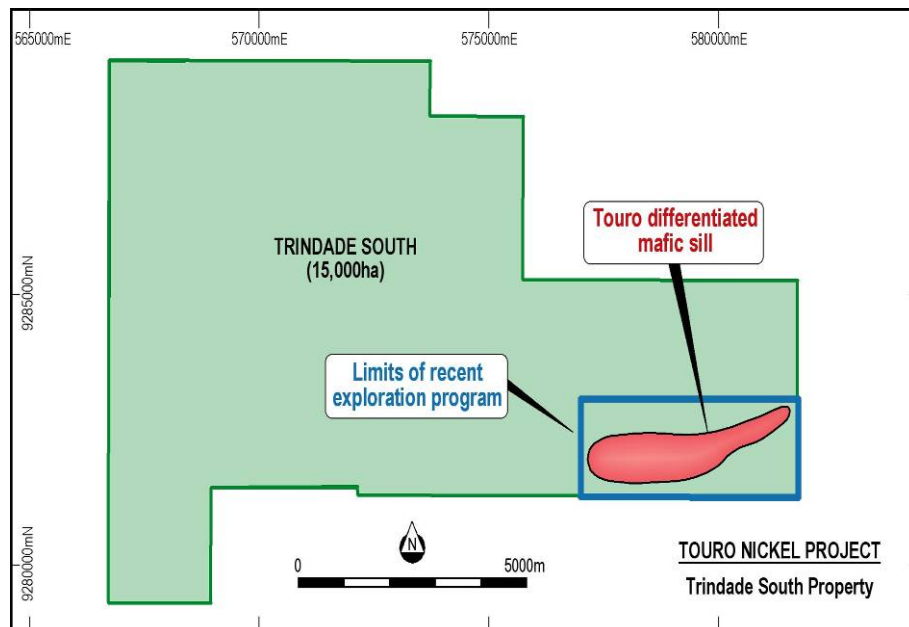
An extensive program of geophysical and geochemical surveys have now been completed with results interpreted to be extremely positive and supports the strong view that the Touro Sill may host high concentrations of nickel sulphides. The Company's only drill hole into the Touro Sill, TSD01, intersected 0.09% nickel over 130 metres and proved that significant widths of nickel mineralisation exist within the Touro Sill. 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. The Company is expediting drilling rigs in anticipation of drill testing these targets in the coming months.



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



Nickel Gossan from the Touro Nickel Project



INDUCED POLARIZATION

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 mineralization. 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 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.

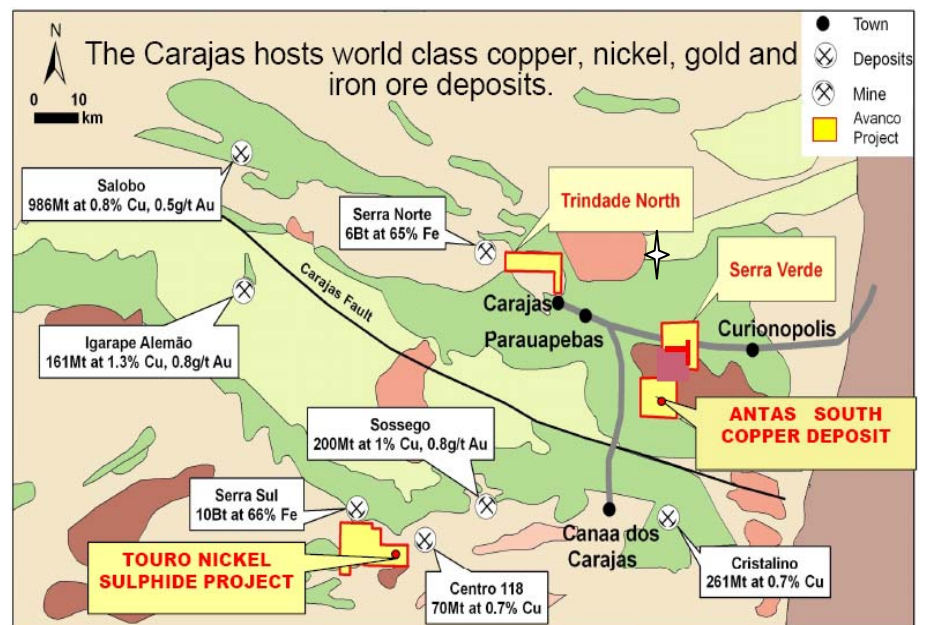


The Touro Nickel Project is located within the boundaries of the Trindade South property which comprises four contiguous tenements amounting to ~15,000 ha held by AVB Mineracao Ltda, a Brazilian subsidiary of Avanco Resources Limited. The property is located within a very prospective part of the Carajas region approximately half way between Vale's Ounca-Puma nickel mine and the Vermelho nickel deposit. One of the worlds largest undeveloped iron ore deposits, Vale's Serra Sul, is just a few km's north of the Trindade South property.

Avanco maintains a strong technical presence in Brazil and a base in Parauapebas, Carajas. The Company is well positioned to manage the Touro Nickel Project and the proximal Rio Verde High Grade Copper Project.

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, located within the boundaries of Avanco's 100% owned Trindade South Property.

