

8 April 2009

Dear Shareholder

Renounceable Entitlement Issue

On 6 April 2009, the Company announced to ASX Limited (**ASX**) the details of a renounceable entitlement issue of approximately 223,494,567 Shares at an issue price of 1 cent each, on the basis of three (3) Shares for every one (1) Share held by shareholders registered at 5pm (WST) on 17 April 2009, together with a free attaching option on a two (2) for one (1) basis, to raise approximately \$2,234,946 (**Offer**).

Shareholders who do not wish to take up their entitlement to subscribe for shares and options under the Offer will be permitted to trade their rights on the ASX.

The prospectus relating to this Offer (**Prospectus**) has been lodged with the ASX and is available on the ASX website at www.asx.com.au for inspection. A copy of the Prospectus is also available on the Company's website at www.avancoresources.com and will be sent to shareholders on or about 23 April 2009.

Event	Date
Announcement of Entitlements Issue	6 April 2009
Appendix 3B and Prospectus lodged with ASIC and ASX	6 April 2009
Ex Date and rights trading commences (date from which securities commence trading without the entitlement to participate in the entitlement issue)	9 April 2009
Record Date (date for determining entitlements of eligible shareholders to participate in the entitlements issue)	17 April 2009
Prospectus dispatched to Shareholders (expected date of dispatch of offer document, entitlement and acceptance forms)	23 April 2009
Opening Date of Offer	23 April 2009

Rights trading ends	30 April 2009
Deferred trading commences	1 May 2009
Closing Date* 5pm (WST)	7 May 2009
Company to notify ASX of undersubscriptions (if any) **	11 May 2009
Dispatch holding statements ** / Deferred trading ends	15 May 2009
Normal trading commences	18 May 2009

* Subject to the Listing Rules, the Directors reserve the right to extend the Closing Date for the Offer at their discretion. Should this occur, the extension will have a consequential effect on the anticipated date of issue for the new shares and options.

** These dates are indicative only.

Use of Funds

The Company intends to apply the funds raised from the Offer towards:

Proceeds of the Offer	\$
Exploration and further assessment on Carajas Copper Project	250,000
Evaluation and acquisition of new projects	1,500,000
Working capital	279,946
Expenses of the Offer	205,000
Total	\$2,234,946

The use of funds set out above is a "best estimate" only. It is important to recognise that the use of funds may be subject to change in line with results, circumstances and other opportunities.

Yours sincerely



Matthew Wood
Director
AVANCO RESOURCES LIMITED