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HOLE ASVD-05

- **10.84m at 1.84% Cu
incl 3.15m at 5.65% Cu**

NEW COPPER DISCOVERY AT THE SERRA VERDE PROJECT

The Company is very pleased to report that drilling at Serra Verde has returned excellent results from the first drill section and has confirmed a new copper discovery.

- **The new discovery of sulphide copper mineralisation is located approximately 300m southeast of the Pedro Prospect and has returned excellent results including:**

- **ASVD-05 10.80m at 1.84% Copper from 100.20m
 Incl. 3.15m at 5.65% Copper from 107.85m
 Incl. 0.75m at 18.94% Copper from 108.85m**
- **ASVD-06 1.00m at 7.28% Copper from 60.00m
 And 2.53m at 1.38% Copper from 72.07m
 Incl. 0.93m at 3.26% Copper from 72.07m**
- **ASVD-03 2.50m at 2.86% Copper from 46.25m**
- **ASVD-02 4.00m at 1.31% Copper from 72.95m**

- **ASVD-02, ASVD-03, ASVD-05, and ASVD-06 are consecutive holes on the same section and demonstrate strong continuity of copper mineralisation across the line, refer to Figure 2.**

- **Thickest intersects and best grades are recorded in the deepest hole ASVD-05 indicating both grade and thickness increase on the down-dip extension. This is extremely interesting and drill testing under this hole is in progress.**

- **A massive sulphide copper intersect returned 0.75m at 18.94% Cu from ASVD-05, this confirms the area is also prospective for high grade copper mineralisation.**

- **Copper mineralisation has been recorded in all holes and is further evidence of Pedro being part of a potentially significant iron-oxide-copper-gold (IOCG) system.**

- **Two rigs have been assigned to Serra Verde for a further ~3,000m of drilling. This will expand the Pedro discovery and evaluate several untested targets¹ to the NW defined by strong geochemical and geophysical anomalies.**

These early results represent an extremely encouraging outcome for Avanco's maiden drill programme at Serra Verde and reinforce the substantial exploration potential of the area.



Avanco has completed 20 holes for ~2,150m at the Serra Verde Project.

Drilling at Serra Verde will continue to target a substantial IOCG discovery to complement the Antas South Copper Deposit on the adjacent Rio Verde Project, refer to Figure 1.

Tony Polglase
Managing Director

- 1- ASX Announcement “Carajas Copper Exploration Update”, 02 March 2011 and ASX Announcement “Serra Verde Copper Project”, 17th August 2010

The information in this report that relates to Mineral Resources and Exploration Results are based on information compiled by Mr Simon Mottram who is a Member of the Australasian Institute of Mining and Metallurgy. Mr Mottram is a Director of Avanco Resources Limited. Mr Mottram 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 ‘Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves’. Mr Mottram consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

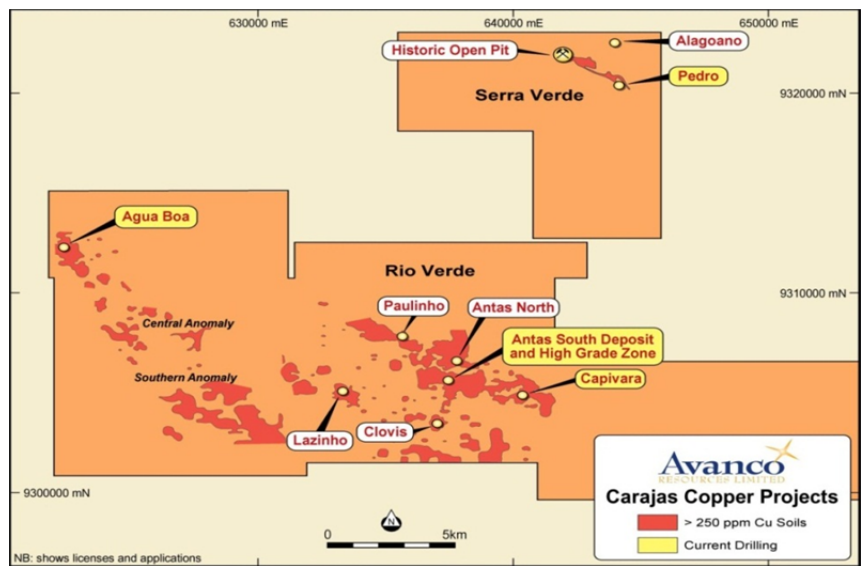


Figure 1 – Avanco Copper Projects



Early success at the Serra Verde Project ASVD-02

- 4m at 1.21% Cu

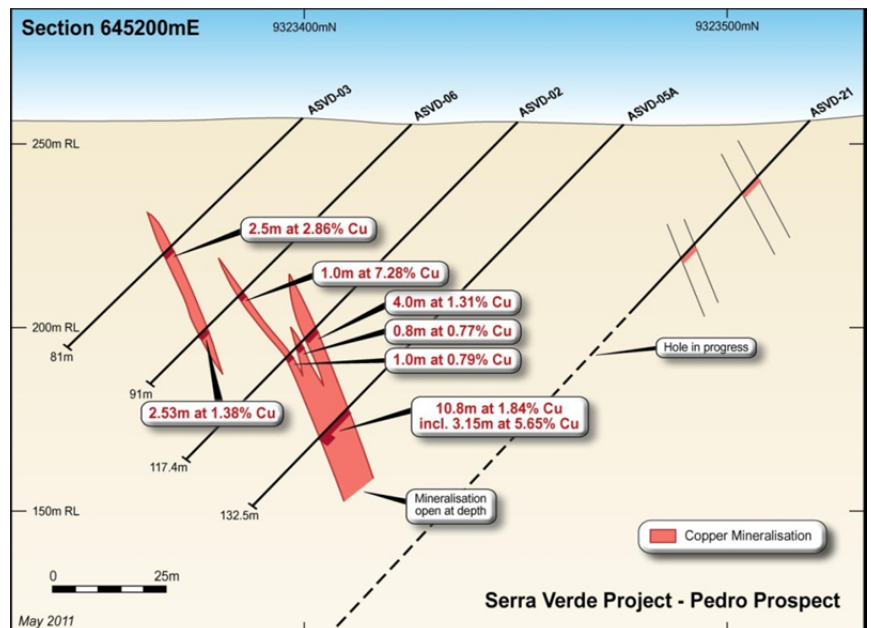


Figure 2 - Serra Verde drill section showing the interpretation of mineralisation remaining open at depth

SERRA VERDE COPPER PROJECT - DIAMOND DRILLING RESULTS - 2011

| Hole ID | UTM-E | UTM-N | Dip | Az | Depth (m) | Status | From (m) | To (m) | Width (m) | Cu % |
|---------|-----------|------------|-----|-----|-----------|-------------|------------------------|---------------|--------------|--------------|
| ASVD-01 | 644893 | 9323708 | -50 | 140 | 70.30 | Completed | 20.00 | 24.00 | 4.00 | 0.16 |
| ASVD-02 | 645200 | 9323450 | -50 | 180 | 117.4 | Completed | 72.95 | 76.95 | 4.00 | 1.31 |
| And | | | | | | Completed | 78.95 | 79.95 | 0.80 | 0.77 |
| And | | | | | | Completed | 82.00 | 83.00 | 1.00 | 0.79 |
| ASVD-03 | 645200 | 9323400 | -50 | 180 | 81.00 | Completed | 46.25 | 48.75 | 2.50 | 2.86 |
| ASVD-04 | 645200 | 9323350 | -50 | 180 | 96.00 | Completed | 11.00 | 13.00 | 2.00 | 0.35 |
| ASVD-05 | 645200 | 9323475 | -50 | 180 | 132.50 | Completed | 100.20 | 111.0 | 10.80 | 1.84 |
| Incl. | | | | | | Completed | 107.85 | 111.0 | 3.15 | 5.65 |
| Incl. | | | | | | Completed | 108.85 | 109.60 | 0.75 | 18.94 |
| ASVD-06 | 645200 | 9323425 | -50 | 180 | 91.00 | Completed | 60.00 | 61.00 | 1.00 | 7.28 |
| And | | | | | | Completed | 63.00 | 64.90 | 1.90 | 0.92 |
| And | | | | | | Completed | 72.07 | 74.60 | 2.53 | 1.38 |
| Incl. | | | | | | Completed | 72.07 | 73.00 | 0.93 | 3.26 |
| ASVD-07 | 645000 | 9323305 | -50 | 180 | 90.60 | Completed | No Significant Results | | | |
| ASVD-08 | 645000 | 9323255 | -50 | 180 | 124.80 | Completed | No Significant Results | | | |
| ASVD-09 | 644900 | 9323270 | -50 | 180 | 105.60 | Completed | No Significant Results | | | |
| ASVD-10 | 644600 | 9324050 | -50 | 180 | 100.50 | Completed | At Laboratory | | | |
| ASVD-11 | 644600 | 9324000 | -50 | 180 | 82.15 | Completed | At Laboratory | | | |
| ASVD-12 | 644600 | 9324100 | -50 | 180 | 71.40 | Completed | At Laboratory | | | |
| ASVD-13 | 644500 | 9324175 | -50 | 180 | 163.30 | Completed | At Laboratory | | | |
| ASVD-14 | 645400 | 9323550 | -50 | 180 | 175.50 | Completed | At Laboratory | | | |
| ASVD-15 | 644500 | 9324125 | -50 | 180 | 79.70 | Completed | At Laboratory | | | |
| ASVD-16 | 644500 | 9324100 | -50 | 180 | 80.20 | Completed | At Laboratory | | | |
| ASVD-17 | 644500 | 9324043 | -50 | 360 | 132.00 | Completed | At Laboratory | | | |
| ASVD-18 | 645400.00 | 9323500.00 | -50 | 180 | 127.70 | Completed | At Core Yard | | | |
| ASVD-19 | 643900.00 | 9324700.00 | -50 | 180 | 134.60 | Completed | At Core Yard | | | |
| ASVD-20 | 645400.00 | 9323450.00 | -50 | 180 | 100.25 | Completed | At Core Yard | | | |
| ASVD-21 | 645200.00 | 9323520.00 | -50 | 180 | | In Progress | | | | |

