

ASX Release

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ACQUISITION COMPLETE AND POTENTIAL FOR HIGH GRADE Ni-Cu-PGM's IDENTIFIED

The Company is very pleased to confirm completion of the transaction for the rights to acquire a 75% interest in the highly prospective Conceição Nickel Platinum Project as announced previously¹.

Outstanding due-diligence results including rock-chip assays have returned strongly anomalous base and precious metal values including one very high grade sample:-

ROCK CHIP AV-9778

- **1.95% NICKEL**
- **17.54% COPPER**
- **4.17g/t PLATINUM**
- **12.19g/t PALLADIUM**
- **1.62g/t GOLD**

HIGHLIGHTS

- **Transaction closed for Avanco to earn into 75% of the Conceição Project in Carajas, Brazil which has never been drilled for nickel sulphides or PGM's.**
- **Field reconnaissance and limited rock chip samples have confirmed the significant potential for the discovery of high grade nickel-copper-PGM sulphides.**
- **Mineralogy studies from fresh samples collected in the area have identified primary sulphides as pentlandite (primary Ni ore mineral), chalcopyrite (primary Cu ore mineral) and pyrrhotite, a key mineral assemblage observed in most Ni-Cu-PGM deposits.**
- **Local soil geochemistry surveys over historical geophysical targets clearly show at least two strong and coincident nickel-copper anomalies trending WNW to over 1,000m. Soils returned peak nickel and copper values of 1,843ppm and 1,391ppm respectively. Both anomalies are open on strike.**

Sample AV-9778 was recovered from gossanous ultramafic saprock, and exhibits results typically associated with magmatic nickel-copper-platinum group metal (PGM) massive sulphides. The gossan boulder, which was discovered at the edge of an anomalous ultramafic formation, is consistent with soil geochemistry results and disseminated sulphide mineral assemblages in fresh outcropping ultramafic rocks sampled in the immediate proximity. **These very encouraging results indicate that the Project is highly prospective for the discovery of high grade nickel-copper-PGM's.**



Remnant cavities in outcrops attributed to the leaching-out of sulphides highlights the mineralised nature of rock formations.



Very high grade gossan, sample AV-9778 found at the edge of ultramafic formations assayed:-

- 1.95% NICKEL
- 17.54% COPPER
- 4.17g/t PLATINUM
- 12.19g/t PALLADIUM
- 1.62g/t GOLD

The results confirm the project as being highly prospective for the discovery of high grade Ni-Cu-PGM mineralisation.

Re-interpretation of historical exploration and geophysical data continues with a number of new targets having been identified and deserving of closer investigation. Soil geochemistry grids are now being extended and ground geophysics scheduled to prioritise drill targets for inclusion in the current 50,000m copper and nickel-platinum drilling programme. Regular exploration up-dates for the Conceição Project are anticipated for the coming months.

Tony Polglase
Managing Director

¹ ASX Announcement “ Acquisition of Nickel Platinum Project” 29 October 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.

Rock Chip Results – Conceição Nickel-Platinum Project

Sample	UTM-E	UTN-N	Ni%	Cu%	Au gpt	Pd g/t	Pt g/t
AV-9775	680793	9092837	0.2	<0.01	<0.005	0.008	0.012
AV9776	681913	9087356	0.36	0.29	0.055	0.251	0.18
AV9778	680703	9090986	1.95	17.54	1.62	12.19	4.17
AV9782	680795	9090706	0.45	0.29	0.054	0.276	0.127



Field reconnaissance has identified a number outcropping pyroxenite formations hosting sulphide rich clusters. Polished section mineralogical studies have confirmed that sulphide assemblies include pentlandite, chalcopyrite and pyrrhotite.





