

**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](mailto:info@avancoresources.com)

Tel: +61 8 9321 6600

For the latest news:

[www.avancoresources.com](http://www.avancoresources.com)

**Directors / Officers:**

Matthew Wood  
Tony Polglase  
Scott Funston  
Antonio Madalosso

**ASX Symbol:** AVB, AVBO, AVBOB



**TOURO NICKEL PROJECT**  
in the Carajas Mineral Province Brazil

# NON RENOUNCEABLE ENTITLEMENTS ISSUE

Avanco Resources Limited is pleased to announce a non renounceable entitlements issue of approximately 204,492,948 Shares at an issue price of 2.5 cents each, on the basis of one (1) Share for every one and a half (1.5) Shares held on the record date, together with one (1) free attaching option for every five (5) shares applied for and allotted, to raise approximately \$5,112,323 (**Offer**). The offer is fully underwritten by CPS Securities.

**Key Details of the Offer are:**

- Funds raised will ensure that the Carajas Copper Project is advanced to a production decision later in 2010.
- Funds raised will allow for the immediate drill testing of the Touro Nickel Sulphide Project.
- Funds raised will allow for the evaluation and acquisition of additional copper and nickel projects in Brazil.
- Shareholders will be able to maintain exposure to the Company's highly prospective properties in the World Class Carajas Province of Brazil including the high grade Carajas Copper Project where the Company has previously published an inferred and indicated JORC Resource of 210,000t at 11.65% copper, containing 24,400t of copper.
- The Company will have a strong cash position to take advantage of opportunities that are constantly being presented to the Company in Brazil.
- The attaching options will be the existing (AVBOB) class of option and the Company will apply to have these options listed on the ASX.

The Board takes this opportunity to thank all Shareholders for their support and look forward to their continued support in the future.

## HIGHLIGHTS

- **First Touro Nickel drill hole, TSD01, intersected 130 metres at 0.09% nickel and confirmed the existence of sulphides and significant widths of nickel mineralisation.**
- **Subsequent geophysical Induced Polarisation (IP) anomalies have been identified over a four kilometre trend. These show strong chargeabilities typical of sulphide mineralisation.**



**Sulphide mineralised drill core from drill hole TSD-01**

- **Soil geochemistry has identified a significant trend of anomalously high nickel and platinum associated with the IP anomalies, numerous high priority drill targets have been identified at the Tour Nickel Project.**
- **Scoping study on the Rio Verde High Grade Copper Project nearing completion and illustrates ~5,000tpa of copper sales with ~US\$57M cash flow with ~\$1.70 total cash costs for the opening six years under study.**
- **The high grade strategy focuses on the JORC compliant 210,000t at 11.6%Cu resource.**
- **Pre-production Capex of ~US\$2M.**
- **Plant and infrastructures ~US\$9M to be funded from early cash flows.**
- **Grade control drilling to increase and upgrade resources to measured and indicated categories to be completed during third quarter of 2010.**
- **High Grade resource moved into a "ready-to-mine" status.**

Tony Polglase  
Executive Director



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

*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.*



Avanco is planning to use the Rio Verde High Grade Copper Project as a “Springboard” to become a copper producer in the Carajas.

