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**30 April 2009**

**AVANCO RESOURCES  
LIMITED**

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WEST PERTH

Australia

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For the latest news:

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

**Directors / Officers:**

Matthew Wood  
Tony Polglase  
Scott Funston  
Antonio Madalosso

**Issued Capital:**

74.5 million shares

74.5 million options

**ASX Symbol:** AVB,AVBO

# MARCH 2009 QUARTERLY REPORT

## HIGHLIGHTS

- The Company reported its maiden JORC resource estimate for the Antas South Deposit in the Carajas Province of Brazil. This was an exceptional result for the Company. Antas South is only the first of six copper targets to be drilled on the Company's 100% owned Rio Verde Property.

- Exceptionally high grade JORC resource of:

**210,000t at 11.65% copper, containing 24,400t of copper.**

- At a 0.3% copper cut-off the global copper oxide JORC resource is:

**8.0 Mt at 0.83% copper, containing 66,100t of copper.**

- At a 0.1% copper cut-off the global copper oxide JORC resource increases to:

**17.6 Mt at 0.48% copper, containing 84,400t of copper.**

- The very high grade zone resource is open on strike and at depth. The Company is now targeting 500,000t of very high grade zone mineralisation and 20Mt of global copper oxide resources on the Rio Verde Property. Additional up-side associated with sulphide and precious metals mineralisation is under review.
- Avanco is currently investigating the potential associated with the high grade resource to support a "starter" copper project. Initial evaluation of the starter project indicates potential for strong cash flows at prevailing low copper prices.
- The Company has taken appropriate measures to conserve cash and reduce costs.
- On 6 April 2009, the Company announced 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. The offer is fully underwritten.

## AVANCO'S JORC MAIDEN COPPER RESOURCE ESTIMATE FOR THE ANTAS SOUTH DEPOSIT

The resource estimate for the Antas South Deposit is based on the results of 73 diamond core (DD) holes for ~5,200m and 65 Reverse circulation (RC) holes for ~3,200m. The aforementioned holes were drilled by Avanco during the period January to August 2008.

Detailed resource modeling was completed and has comprised:

- Geological modeling
- Data base validation
- Wire-framing and resource estimation

The copper grade was estimated into a block model by mineralisation domain using inverse distance (to the power of 2) techniques from composited drill hole data. Both uncut and top-cut estimates were made.

The Mineral Resource has been classified as Indicated and Inferred based on geological continuity, error of estimation and number of composites/holes used in the estimation. A series of cut-off grades were applied to simulate various potential mining head grades allowing for dilution, ore loss and metal recovery. Density has been accessed by position in the weathering profile and with reference to the mineralogy.

The Indicated and Inferred maiden JORC Resource reported for the Antas South Deposit is shown in Table 1.

Table 1 Maiden JORC Resource Estimate - Carajas Copper Project

<b>Antas South Deposit* - Oxide and Transitional</b>							
All Material	Indicated		Inferred		Total Resource		
Cu Cut %	Tonnes	Cu%	Tonnes	Cu%	Tonnes	Cu%	Cu Tonnes
0.1	12,662,000	0.45	4,961,000	0.56	17,622,000	0.48	84,400
0.3	6,254,000	0.71	1,723,000	1.27	7,977,000	0.83	66,100
<b>HGZ**</b>	<b>89,000</b>	<b>12.72</b>	<b>121,000</b>	<b>10.87</b>	<b>210,000</b>	<b>11.65</b>	<b>24,500</b>

\*Antas South is part of the Carajas Copper Project - Rio Verde Property. \*\*The HGZ (High Grade Zone) is included within the overall estimation and no top-cut has been applied to the resource in this zone



Copper mineralisation in RC drill chips from Antas South.



High grade copper drill core from Antas South Deposit where a **High Grade Zone JORC resource of 210,000t at 11.65% copper** has been discovered by Avanco.



**The Antas South Deposit is located on the Rio Verde Property in the World Class Carajas Mineral Province.**

Copper mineralisation at the Antas South Deposit is delineated to extend over a strike length of two kilometres and is open to the north west and south east. Drill results returned from the Antas South Deposit show intersections of continuous copper oxide mineralisation extending from surface to 80 metres down hole.

The JORC resource of **210,000t at 11.65% Copper (HGZ)** extends from surface and has been modelled over a strike length of two hundred and fifty meters. The HGZ is open to the north west where high grade copper showings outcrop at surface (not included in the resource calculation). Additional surface showings of high grade copper were discovered by the Company at Antas South, Antas North and other Rio Verde targets. These surface expressions are potential indicators for the location of further high grade resources.

Deeper drill intersections in fresh rock at both Antas South and Antas North are interpreted to indicate the existence of high grade sulphide copper mineralisation underlying the oxide zone. This sulphide mineralisation is believed to be closely associated with the Antas North Deposit (currently no JORC resource calculated) where early work returned drill results including **49.3m at 2.4% copper** in the fresh rock. The high grade sulphide zone at the Antas North Deposit is overlain by a significant copper oxide zone which has also not yet been fully explored.

The Company is confident that with further drilling additional resources will be delineated on the Rio Verde Property. The Company is targeting an increase in HGZ mineralisation to 500,000t and the global oxide copper resource expanding to 20Mt at +0.8% Cu. Further resource growth potential, associated with precious metals and sulphide mineralisation is under review.

The calculation of the maiden resource has established a strong and viable project with considerable potential to increase resources through further drilling. The JORC resource of **210,000t at 11.65% copper** has the potential to support a robust stand alone “starter” project with: minimal capital needs, low risk and high returns. Considerable opportunity exists for the discovery of additional HGZ resources proximal to Antas South to increase the longevity of the HGZ project. Evaluation of the HGZ “starter” project suggests that (given current low commodity prices) significant revenues can be generated by treating the exceptionally high copper grade.

The Rio Verde Property is located in a premier location for the development of a mining project and is close to sealed roads and power supplies. The Antas South Deposit is located approximately 30 kilometres from Parauapebas, the Carajas regional capital with a population in excess of 180,000 and growing.



## **BOARD CHANGES**

The Company appointed Mr Scott Funston as a non executive director during the quarter. Mr Funston is a Chartered Accountant and Company Secretary with extensive experience in the mining industry and accounting profession. Mr Funston possesses a strong knowledge of the Australian Securities Exchange requirements and currently assists a number of resources companies operating throughout Australia, South America, USA and Canada with financial accounting, stock exchange compliance, general corporate advice and regulatory activities.

The Company has advised that Mr Tony Polglase has resigned from his position as Managing Director and will remain a non executive director. Mr Polglase was the founding Managing Director of Avanco and has made a substantial contribution since incorporation. Mr Polglase will continue to guide the Company's Brazilian operations on a consulting basis.

The Company has advised that Mr Colin Jones and Mr Wayne Phillips have resigned as Directors. The Board would like to record its appreciation for the substantial contribution Mr Jones and Mr Phillips have made to the Company since its incorporation and wishes them every success in the future.

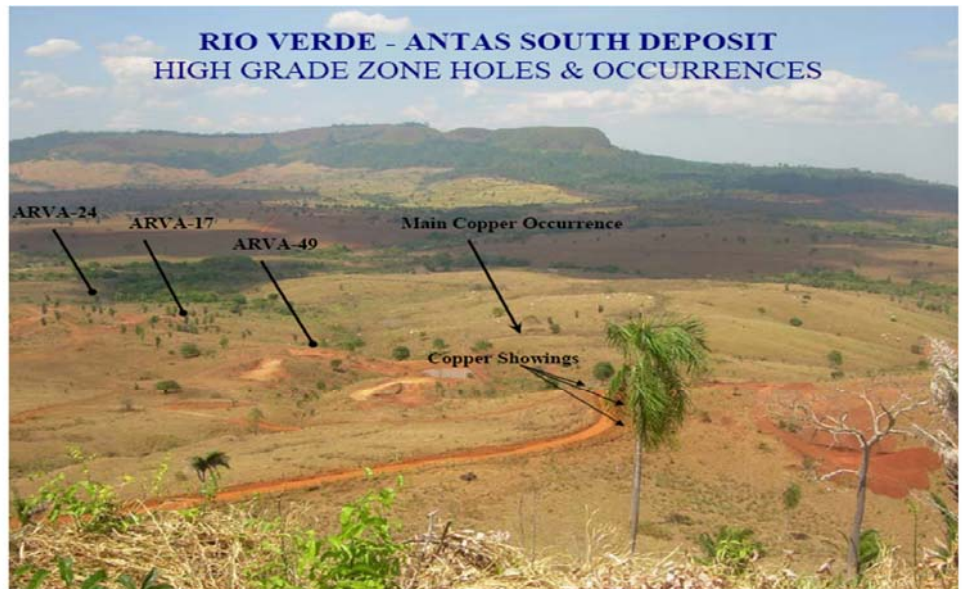
## **CORPORATE**

Avanco's Carajas Copper Project is located in the World Class Carajas Province of northern Brazil. By virtue of the known mines and recent discoveries, the Carajas is regarded as one of the most prospective regions in the world for the discovery of copper, gold, nickel, manganese and iron ore deposits. Avanco has four highly prospective properties in the Carajas and continues to increase its influence in the region.

In recognition of the current economic climate and the need to conserve cash the Company has taken measures to reduce expenditure. This exercise is on-going and will include some rationalisation of Avanco's non-core projects.

On 6 April 2009, the Company announced 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. The offer is fully underwritten.

Matthew Wood  
**Chairman**



## HGZ - JORC 210,000t at 11.65% Copper



*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.*