



ASX Release

Monday 26 October 2009

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

Tel: +61 8 9321 6600

For the latest news:

www.avancoresources.com

Directors / Officers:

Matthew Wood
Tony Polglase
Scott Funston
Antonio Madalosso

Issued Capital

Approx. 298 million shares
Approx. 74.4 million (\$0.20) options
Approx. 156.4 million (\$0.015)
options

ASX Symbol: AVB, AVBO,
AVBOB

SEPTEMBER QUARTERLY REPORT 2009

HIGHLIGHTS

- The first diamond core drill hole completed to a depth of 430.1 metres at the Touro Nickel Project on the Trindade South Property.
- Drill hole intersected a variably sulphide mineralised differentiated mafic sill.
- The Company is highly encouraged by this initial result and further geochemistry, geophysics and drilling is being planned.
- The Company continues to discuss possibilities with a number of parties interested in jointly developing the proximal Rio Verde Copper Project.

TOURO NICKEL PROJECT

The first diamond core drill hole has been completed to a total depth of 430.1 metres at the Touro Nickel Project on the Trindade South Property in the Carajas Mineral Province in northern Brazil. The drill hole intersected a variably sulphide mineralised differentiated mafic sill. The Company is highly encouraged by this initial result and further geophysical and drilling activities are being planned. The drill core is currently being sampled and results will be available over the coming month.

Diamond core drilling tested a previously identified high order electromagnetic (EM) target. The Company is also planning additional EM surveys in addition to Induced Polarisation (IP) geophysical surveys to define further exploration drill targets across the sill. The sill has dimensions of approximately 5km x 1.5km and remains largely underexplored.

- The Company has identified a significant nickel sulphide exploration target. This target is of a similar geological model to Mirabela Nickel's giant Santa Rita Nickel Project also in Brazil.
- Compilation of previous exploration indicates that an extensive nickel soil anomaly is present.
- Peak responses from the soil geochemistry are 2,192ppm nickel, 846ppm copper and 26ppb platinum.
- The soil anomaly is associated with a high quality EM anomaly.



The Touro Nickel Project is located in the world class Carajas region.



0.16% Nickel Gossan from the Touro Nickel Project.



Current drilling activities at the Touro nickel sulphide target.

RIO VERDE COPPER DEVELOPMENT PROJECT

Considerable progress has been made on the feasibility of mining the high grade copper deposit discovered at Antas South. This continues to support the Company's concept for a stand-alone starter project focussed on mining the high grade resources. Evaluation of this concept indicates strong cash flows even when the project is tested at low copper prices. The maiden JORC compliant high grade resource is:

An 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 Company envisages a fast track approach to the implementation and exploitation of a starter project. A recovery process flow sheet design with supporting metallurgical test work report is expected during the coming months. Streamlined permitting applications are now well advanced with regulatory approval expected to be in place during early 2010. 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.

CORPORATE

The Company is in discussions with a number of potential partners to jointly develop the Antas South Copper Deposit. Exploitation of the starter project will allow Avanco to operate economically throughout times of weak copper prices while having up-side exposure through its larger lower grade JORC resource to any improvements in commodity prices.

Avanco's current nickel sulphide exploration activities are a further strengthening of its presence in the Carajas Province and complements the development and permitting activities on-going at the Company's proximal high grade Rio Verde Copper Project.

The Carajas is regarded as one of the most prospective mineral regions in the world and hosts world class nickel, copper, gold and iron ore deposits. Avanco has maintained a strong technical presence in Brazil and a base in Parauapebas, Carajas. The Company is well positioned to manage the Touro Nickel Project and take advantage of any new opportunities in the Carajas Province.

Matthew Wood
Chairman



Avanco's Carajas exploration facilities, ready for new opportunities.



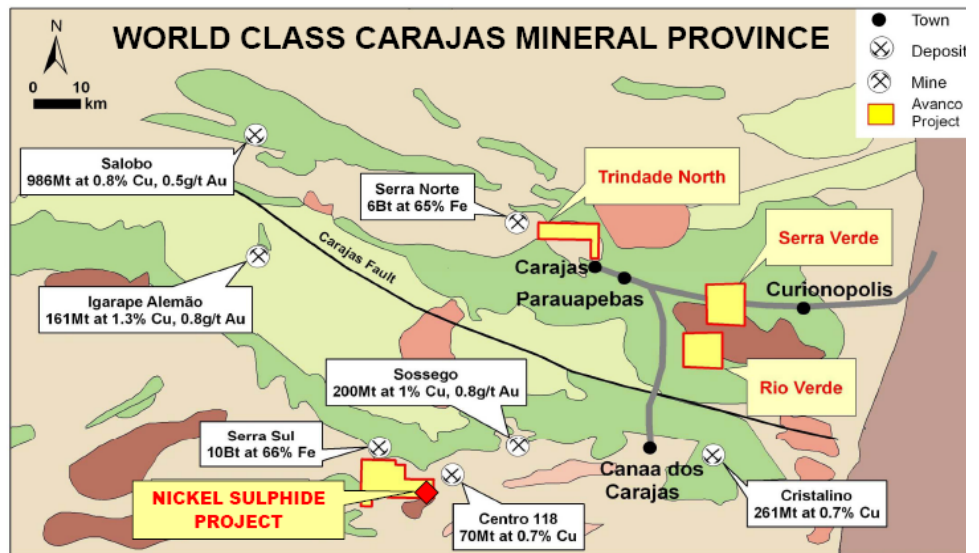
The Carajas – Brazil.

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.

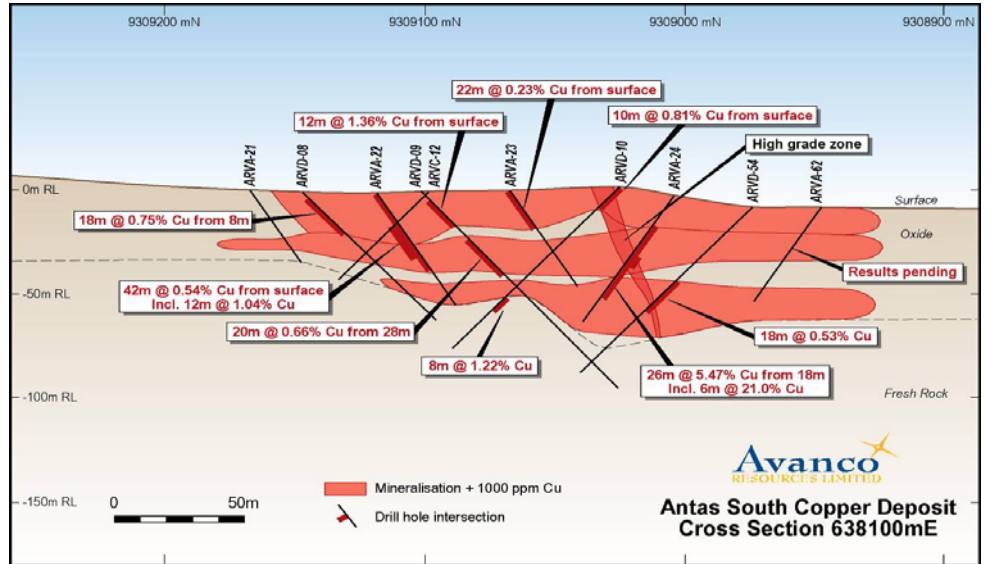
The information in this report that relates to Mineral Resources and Exploration Results are based on information compiled by Mr Matthew Wood who is a Member of the Australian Institute of Mining and Metallurgy. Mr Wood is the Chairman of Avanco Resources Limited. Mr Wood has sufficient experience which 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.

Touro Nickel Project - Drill Hole details.

Hole	Easting	Northing	Depth (M)	Azimuth	Dip
TSD-01	578778	9281432	430.1	360	55



The Touro Nickel Project, located within the boundaries of Avanco's 100% owned Trindade South Property.



The Antas South Deposit has a JORC compliant copper resource and is located within the boundaries of Avanco’s 100% owned Rio Verde Property.

Maiden JORC Resource Estimate - Carajas Copper Project

Antas South Deposit* - Oxide and Transitional

All Material Cu Cut %	Indicated		Inferred		Total Resource		
	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
HGZ**	89,000	12.72	121,000	10.87	210,000	11.65	24,500

*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