



4 October 2010

ASX Limited
Exchange Plaza
2 The Esplanade
PERTH WA 6000

Attention: Matthew Foy

Dear Mr Foy,

AVANCO RESOURCES LIMITED – PRICE AND VOLUME QUERY

We refer to the Price and Volume query issued by the Australian Securities Exchange on Monday 4th October 2010 and comment as follows:

1. Avanco Resources Limited (the Company) is not aware of any information that has not been announced that would explain the recent trading in the securities of the Company.
2. Not Applicable
3. The Company released an announcement on Tuesday 21 September 2010 'Exceptionally High Grade Copper – Rio Verde Project'.

Highlights of this announcement are:

A spectacular intercept of:

9 metres at 50.49% copper from 18 metres.

Exceptionally high grade and shallow results for the high grade copper zone are:

ARVD-72	6.15m at 8.06% Copper, from 38.0m Incl. 3.85m at 11.23% Copper from 40.2m
ARVD-74	2.0m at 8.09% Copper from 28.0m Incl. 1.0m at 11.83% Copper from 29.0m
ARVD-80	32.0m at 14.79% Copper from 1.0m Incl. 9.0m at 50.49% Copper from 18.0m

ARVD-81 1.0m at 14.00% Copper from 44.0m

Since the announcement was released the copper price has increased to approximately \$3.66 USD a pound.

Further, an announcement was made on 29 September 2010 'Iron Ore Project Update'.

Highlights of this announcement are:

The Company has taken receipt from Vale S.A. (Vale) of an initial US\$100,000 payment in consideration of the previously reported option agreement wherein Vale can exercise the right to acquire Trindade North from Avanco for up to US\$40,000,000 arising from in-situ iron ore royalties and other qualifying fees.

The results for the pending drill holes assays are expected soon, **with abundant copper mineralization having been already logged for many of these holes. The Company is anticipating to be able to report further results in the coming weeks.**

4. The Company confirms that in its opinion it is, and has been at all times, in compliance with listing rule 3.1.

Yours faithfully,

**Scott Funston
Company Secretary
AVANCO RESOURCES LIMITED**



ASX Compliance Pty Limited
ABN 26 087 780 489
2 The Esplanade
Perth WA 6000

GPO Box D187
Perth WA 6840

Telephone 61 (08) 9224 0003
Facsimile 61 (08) 9221 2020
Internet <http://www.asx.com.au>

4 October 2010

Mr. Scott Funston
Company Secretary
Avanco Resources Limited
Level 1
33 Richardson Street
WEST PERTH WA 6005

By Email

Dear Scott

Avanco Resources Limited (the "Company")

PRICE AND VOLUME QUERY

We have noted a change in the price of the Company's securities from 8.9 cents on 1 October 2010 to an intra day high of 17 cents today. We have also noted an increase in the volume of trading in the securities over this period.

In light of the price and volume change, please respond to each of the following questions.

1. Is the Company aware of any information concerning it that has not been announced which, if known, could be an explanation for recent trading in the securities of the Company?

Please note that as recent trading in the Company's securities could indicate that information has ceased to be confidential, the Company is unable to rely on the exceptions to listing rule 3.1 contained in listing rule 3.1A when answering this question.

2. If the answer to question 1 is yes, can an announcement be made immediately? If not, why not and when is it expected that an announcement will be made?

Please note, if the answer to question 1 is yes and an announcement cannot be made immediately, you need to contact us to discuss this and you need to consider a trading halt (see below).

3. Is there any other explanation that the Company may have for the price and volume change in the securities of the Company?
4. Please confirm that the Company is in compliance with the listing rules and, in particular, listing rule 3.1.

Your response should be sent to me by email or by facsimile number on (08) 9221 2020. It should not be sent to the Company Announcements Office.

Unless the information is required immediately under listing rule 3.1, a response is requested as soon as possible and, in any event, **not later than 11 am (W.S.T) today, 4 October 2010.**

Under listing rule 18.7A, a copy of this query and your response will be released to the market, so your response should be in a suitable form and separately address each of the questions asked. If you have any queries or concerns, please contact me immediately.

Listing rule 3.1

Listing rule 3.1 requires an entity to give ASX immediately any information concerning it that a reasonable person would expect to have a material effect on the price or value of the entity's securities. The exceptions to this requirement are set out in listing rule 3.1A.

In responding to this letter you should consult listing rule 3.1 and Guidance Note 8 – Continuous Disclosure: listing rule 3.1.

If the information requested by this letter is information required to be given to ASX under listing rule 3.1 your obligation is to disclose the information immediately.

Your responsibility under listing rule 3.1 is not confined to, or necessarily satisfied by, answering the questions set out in this letter.

Trading halt

If you are unable to respond by the time requested, or if the answer to question 1 is yes and an announcement cannot be made immediately, you should consider a request for a trading halt in the Company's securities. As set out in listing rule 17.1 and Guidance Note 16 – Trading Halts we may grant a trading halt at your request. We may require the request to be in writing. We are not required to act on your request. You must tell us each of the following.

- The reasons for the trading halt.
- How long you want the trading halt to last.
- The event you expect to happen that will end the trading halt.
- That you are not aware of any reason why the trading halt should not be granted.
- Any other information necessary to inform the market about the trading halt, or that we ask for.

The trading halt cannot extend past the commencement of normal trading on the second day after the day on which it is granted. If a trading halt is requested and granted and you are still unable to reply to this letter before the commencement of trading, suspension from quotation would normally be imposed by us from the commencement of trading if not previously requested by you. The same applies if you have requested a trading halt because you are unable to release information to the market, and are still unable to do so before the commencement of trading.

If you have any queries regarding any of the above, please let me know.

Yours sincerely,



Matthew Foy

Senior Adviser, Issuers (Perth)