

ASX Release

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ASX Symbol: AVB, AVBOB



The historic open cut at the northern end of the Serra Verde Property and was mined for high grade copper.

SERRA VERDE COPPER PROJECT

The Company is very pleased to advise that it has recently completed a review of its 100% owned Serra Verde Copper Project in the Carajas, Brazil. Serra Verde is located only a few kilometres north of the Company's Rio Verde Copper Project where drilling is currently underway.

HIGHLIGHTS

- Serra Verde is 100% owned by Avanco.
- Channel sampling from the historic open cut has returned high grade copper, with better results including:
 - 4.5m at 16.50% copper and 4.1g/t gold
 - 4.3m at 8.92% copper and 48.4g/t gold
 - 9.6m at 3.44% copper and 3.29/t gold
 - 9.0m at 5.81% copper and 4.48/t gold
 - 2.0m at 7.77% copper
 - 2.0m at 7.02% copper
- Serra Verde hosts significant copper soils anomalies which have either not been tested or have been poorly evaluated.
- The Company is now planning an initial drilling programme to test targets beneath and along strike from the open cut and across the numerous copper anomalies on the project.

SERRA VERDE

The Serra Verde Projects hosts an historic open cut to the north of the property as well as two additional high quality copper targets, Alagoano and Pedro. The now abandoned open cut has been evaluated and as previously reported, returned high grade copper and gold channel sampling results including:

- 4.5m at 16.50% copper and 4.1g/t gold
- 4.3m at 8.92% copper and 48.4g/t gold
- 9.6m at 3.44% copper and 3.29/t gold
- 9.0m at 5.81% copper and 4.48/t gold
- 2.0m at 7.77% copper
- 2.0m at 7.02% copper

Mineralisation associated with the Serra Verde open pit is strongly structurally controlled. The Company believes these structural controls have been poorly understood by past explorers on the project and that considerable potential remains to discover additional high grade copper mineralisation.



The Carajas, A Great Address

- **Vale dominates the Carajas in copper, nickel and iron ore.**
- **Vale's Carajas N4-N5 open cut is the world's largest high grade iron ore mine.**
- **The giant Salobo Copper Mine is under construction with the Sossego Copper Mine already in production.**
- **Other giant developments in Carajas include: the Cristalino Copper Mine, Serra Sul Iron Mine and the Onca Puma Nickel Mine.**
- **Major explorers in the region include: Codelco, Xstrata, Anglo, Teck and Avanco.**

Avanco is now evaluating the potential of mining remnant high grade copper from the Serra Verde open pit with the aim of providing additional ore feed for the proposed Rio Verde copper concentrator plant. Serra Verde is located only a few kilometres north of Rio Verde.

At the Alagoano copper target two artisanal shafts exist within a 1,500m west north west trending copper soil anomaly with early artisans reportedly extracting high grade chalcocite and massive chalcopyrite. A composite rock chip sample collected over the area by the Company has returned up to 22.57% copper. Past wide spaced drilling at the Alagoana copper target failed to interest high grades, however Avanco's recent experience at Rio Verde demonstrates that tight drill patterns are essential for exploring these structurally controlled extremely high grade copper systems.

An extensive copper soil anomaly exists at the Pedro copper target. This north west to south east trending anomaly extends over 2,500m and connects with the Serra Verde open cut. The Pedro copper target has never been drill tested.

The potential for the discovery of a large iron oxide copper gold (IOCG) type deposits at Serra Verde should also not be discounted. IOCG type mineralisation is the target of exploration and drilling currently being reported by a Canadian JV group on the neighbouring Rio Novo Property which is situated on Serra Verde's northern boundary.

The Company is now planning an initial drilling programme to test targets beneath and along strike from the open cut and across the numerous copper anomalies on the project.

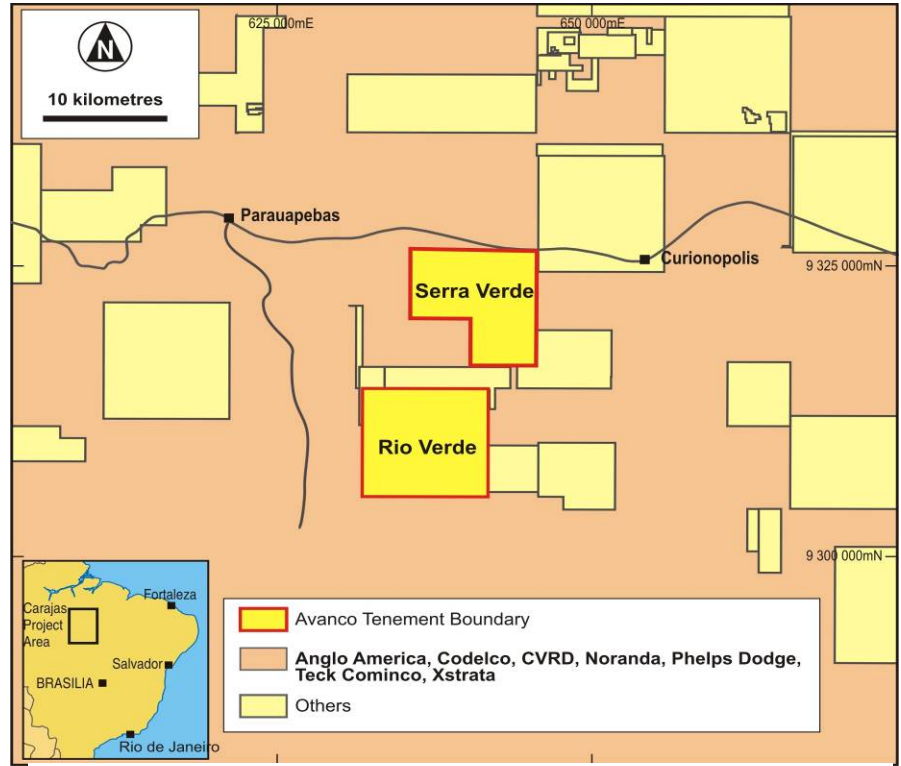
Avanco is also continuing with a drilling programme at the high grade copper zone at the Rio Verde Property and anticipates moving out to test the strike extensions very soon. The Company anticipates moving the project to a decision to mine status before year end and current drilling results are expected soon.

The Company has received significant interest from groups seeking to jointly explore its projects including the Trindade North Property which is prospective for high grade Carajas style iron ore. The options available to Avanco are now being shortlisted and adjudicated. Negotiations are at an advanced stage and strong news flow on these and further Carajas Transactions is expected soon.

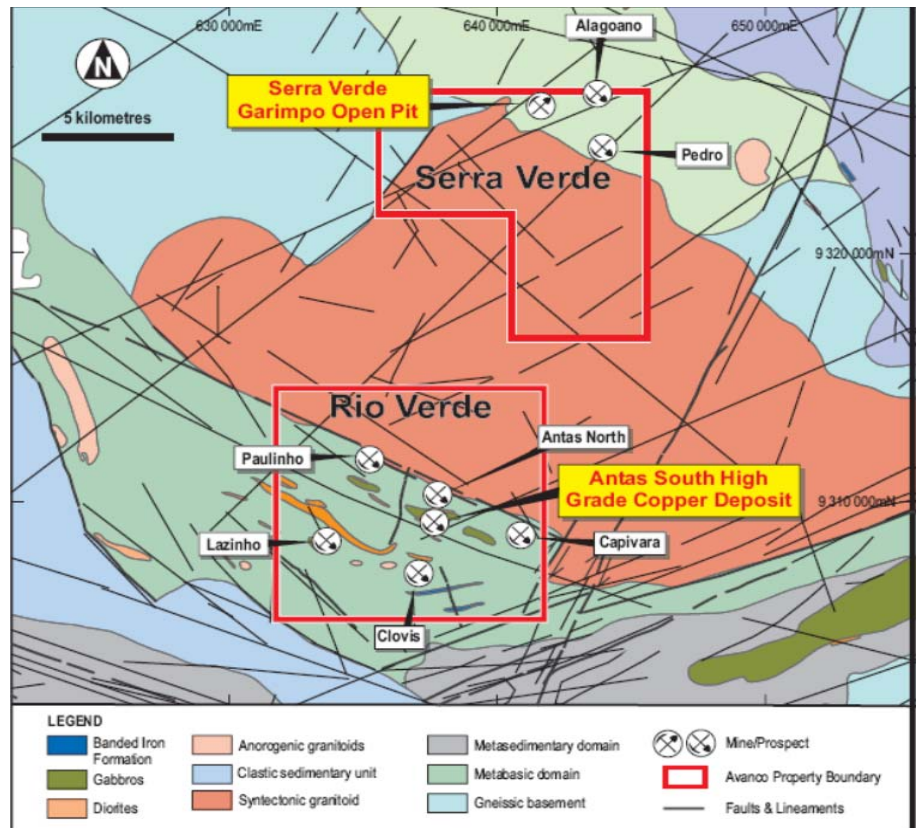
Tony Polglase
Executive Director



High grade copper mineralisation observed in drill core from the current Rio Verde Drill program believed to be attributed to the inclusion of high concentrations of chalcocite (Cu₂S)



The Serra Verde is located a few Kilometres north of the Rio Verde Property.



The geology and the location of copper exploration targets at the Rio Verde and Serra Verde Properties.