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Cover Story

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Avanco Resources Limited Has Discovered Encouraging Nickel and Platinum Anomalies at its Touro Nickel Project in Brazil.

Avanco Resources Limited is committed to exploring for and developing base metals projects in the very prospective world class Carajas mineral province, in northern Brazil. The Company has a strong technical presence in the country and firmly believes that its two projects, the Touro Nickel Project and Rio Verde High Grade Copper Project, will eventuate in minable resources.

The Company announced encouraging news this week from its Touro Nickel Project, with the completion of its geophysical and geochemical exploration programmes on the 100% owned Trindade South tenement.

The results have demonstrated strong and coincident nickel, platinum and Induced Polarisation (IP) anomalous trends across the differentiated mafic Touro Sill.

IP anomalies, with strong chargeabilities typical of sulphide mineralisation, have been identified over a four kilometre trend. Soil geochemistry has also highlighted a significant trend of anomalously high nickel and platinum associated with the IP anomalies.

The results from the soil geochemistry indicate the existence of an extensive nickel soil anomaly with values in excess of 1,000ppm nickel and peaks of up to 2,000ppm nickel.

Evaluation of the platinum results show that 33% of the samples recorded greater than 9ppb platinum, with peaks of up to 38ppb platinum. This outlines a major east-northeast platinum anomaly spanning approximately 3,200 metres.

From these results, the Company has identified numerous new high priority drill targets.

Mr. Tony Polglase, Executive Director of Avanco Resources Limited said the results from the Touro Nickel Project indicate that it may host high concentrations of nickel sulphides, “Our recent exploration work at Touro has confirmed that sulphides are present within our project area. It may allow us to move from explorer to nickel developer. Nickel is a valuable commodity with value much higher than copper making nickel sulphide discoveries particularly attractive for junior exploration companies,” Mr. Polglase explained to the Australian Investor, “Brazil has so much mineral potential to be tapped and much of that is associated with the Carajas. We are very optimistic about what we will continue to find here.”

Mr. Polglase said that the results have geological similarities to the highly successful Santa Rita Nickel Project operated by Mirabela Nickel, which is located in the northeast of Brazil.

Only one drill hole has been completed at the Touro Nickel Project so far, “The intercept was fantastic. We achieved 130 metres grading 0.09% nickel. This is an excellent result when it is taken into consideration that this very early drill hole was located without the benefit of our recent geophysical and geochemical results which have now clearly identified the positions of significantly better drill targets.”

Avanco Resources will commence a drilling program for the Touro Nickel Project as soon as possible, “We are currently expediting drilling rigs and will begin drilling in the coming months. We are also planning to continue exploration at our Rio Verde High Grade Copper Project. 2010 will be a busy year.

“The Company is well established in the Carajas and foresees strengthening its Carajas portfolio with new copper and nickel project acquisitions.”

Mr. Polglase commended the Company’s exploration team, in particularly Chairman Mr. Matthew Wood and Exploration Manager Mr. Antonio Madalosso, for the progress at the Touro Nickel Project so far, “Our team is highly skilled in regional exploration and target identification. The Company's focus on the Carajas mineral province was a great decision made by directors and officers of Avanco. Mr. Madalosso, a Brazilian national, has a proven track record for exploration success in the Carajas. Touro is his third discovery here. He is an excellent regional exploration geologist.”

“Mr. Wood, as well as leading the Company's corporate activities, has extensive nickel sulphide knowledge and his Brazilian experience includes being instrumental in the identification of Mirabella's giant Santa Ria nickel sulphide project. I am and a mechanical engineer and qualified in metallurgy. I also speak Portuguese which is key to developing relationships in Brazil. Furthermore, it promotes timely approvals from regulatory authorities for mine development and permitting protocols as it demonstrates our ability, commitment and understanding of their culture.”

Looking to the future, Mr. Polglase concluded, “Our main priority now is to identify the true potential of the Touro Nickel Project. It looks like we could be sitting on another major nickel project like Santa Rita. In parallel to nickel, the proximal Rio Verde High Grade Copper Project will be continued with focus on the development of the high grade copper starter project and exploration of the other five untested Rio Verde copper targets to increase resources to our 20 million tonne copper objective.”

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