

ASX Release

29 November 2011

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LIMITED**

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TRIAL MINING LICENSE GRANTED

The Company is pleased to advise that it has been awarded a “Trial Mining License” for the Rio Verde Copper Project¹ which qualifies Avanco to start operations.

- The approval permits small scale experimental / commercial extraction of copper oxides, sulphide copper and gold ores.
- Trial Mining is a regulatory concession that has been successfully used by a number of companies to accelerate mine development into full scale production. Avanco has adopted this same development strategy to Rio Verde.
- Early mining initiatives available include the Direct Shipping Operation concept for Antas South and the current high grade copper-gold core in recently discovered at Antas North. Evaluation of the aforementioned opportunities are at any early stage with pending activities including:
 - JORC Resource update
 - Metallurgical testing
 - Bulk Sampling
 - Pit wall geo-technical studies
- Pre-production capital is a critical factor in commencing production such that the Company considers the anticipated Vale(SA) option payment a likely pre-condition to the start of operations.

The discovery and / or acquisition of resources to support a 30,000 - 50,000tpa copper production project (with a ten year *life-of-mine*) remains a priority for the Company.

Resource updates from Rio Verde are expected during Quarter 1 2012 and the start of a feasibility study for full scale mining is envisaged for late Quarter 2 2012.

Issue of the Trial Mining License is a significant regulatory achievement and represents a key milestone in the transition from explorer to developer.

Tony Polglase
Managing Director

1. Excludes the former Xstrata property as announced 21 March 2011 ‘Three Fold Increase to Rio Verde Project’