

ASX Release

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ASX Symbol: AVB, AVBOB

VALE SECURES IRON ORE RIGHTS FOR A FURTHER YEAR

The Company is pleased to advise that Vale S.A. (“Vale”) has secured the “rights” to Avanco’s iron ore project for a further twelve months.

- **Compliant with the Iron Ore Agreement¹, Vale has secured their rights into the second year of the Option by having advanced Avanco US\$600,000².**
- **Having already completed the maiden drill programme the current extension facilitates Vale’s further exploration which includes detailed field recognisance.**
- **Vale has prepared a maiden resource. The Company has acknowledged that the outcome exceeds the minimum required for Vale to exercise their right to acquire the project.³**

CORPORATE

The Company maintains dialogue with Vale in regard to their on-going exploration activities and Avanco’s supporting regulatory responsibilities.

New iron ore opportunities associated with Avanco’s Carajás tenure continue to be investigated.

Tony Polglase
Managing Director

1. ASX Announcement “Vale Acquires Option over Avanco Iron ore Project”, 19 August 2010
2. Vale made timely payment but certain reporting restrictions associated with the agreement introduced some delay in disclosure.
3. The derivation of the dollar value attributed the maiden resource estimate remains confidential.

The information in this report that relates to Mineral Resources and Exploration Results are based on information compiled by Mr Simon Mottram who is a Member of the Australasian Institute of Mining and Metallurgy. Mr Mottram is a Director of Avanco Resources Limited. Mr Mottram 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 ‘Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves’. Mr Mottram consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

