

ASX Release

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AVANCO RESOURCES LIMITED

Level 1 / 33 Richardson Street
West Perth , Australia WA 6872
Tel: +61 8 9321 6600
Fax: +61 8 9200 4469

Contact:

Tony Polglase
Executive Director

E-mail: info@avancoresources.com

Tel: +61 8 9321 6600

For the latest news:

www.avancoresources.com

Directors / Officers:

Matthew Wood
Tony Polglase
Scott Funston
Antonio Madalosso

ASX Symbol: AVB, AVBO, AVBOB



Previous Drilling at Rio Verde.

CARAJAS ACTIVITIES UPDATE

The Company is very pleased to advise that it has received regulatory approval on the Operating License for the future trial mining of the Rio Verde Copper Project in the Carajas. The award represents a significant milestone achievement within Avanco's programme to establish a copper mining business in Brazil.

Exploration at the Touro Nickel Project continues to return results confirming the existence of pervasive low grade nickel sulphide mineralisation within the Touro sill and further work programmes are underway with the aim of highlighting higher grade zones.

HIGHLIGHTS

- **Environmental authorities have issued an Operating License for development of the Rio Verde high grade copper project.**
- **Regulatory process now focussed on receipt of the Trial Mining License.**
- **A diamond core drilling programme will commence in the coming weeks at the Rio Verde Project with the aim of infilling the existing high grade JORC Resource and to obtain representative samples for definitive metallurgical test work.**
- **Nickel sulphide mineralisation continues to be discovered at the Touro Nickel Project. The Touro Sill footwall contact zone is now believed to be the most prospective exploration target and field programmes are progressing before a resumption of drilling during the 3rd quarter 2010.**
- **The Company has signed confidentiality agreements with a number of groups looking at potentially joint funding exploration programmes at the Touro Nickel Project.**
- **The Company has approximately \$5,000,000 in funds and is on target to move Rio Verde "to a decision to mine" status before end 2010 whilst continuing to aggressively explore for copper and nickel sulphides.**
- **Avanco is currently assessing a number of options for its Trindade North Property in the Carajas, which is highly prospective for high grade Carajas style iron ore deposits.**

Avanco's Indicated and Inferred JORC Resource estimate for the Antas South Copper Deposit on the Rio Verde Property is:

210,000t at 11.65% Cu.

**8 Mt at 0.83% Cu.
(0.3%Cu cut)**

**17.6 Mt at 0.48% Cu.
(0.1%Cu cut)**



Soils geo-chemistry and geophysics surveys will be extended over a greater part of the Touro Nickel Project when weather permits.

RIO VERDE HIGH GRADE COPPER PROJECT

Regulatory approval of the Operating Licence for the development of the Rio Verde Copper Project in the Carajas has been awarded to AVB Mineracao Ltda, a wholly owned Avanco subsidiary company.

The license has been issued by SEMA, the Secretary of State for the Environment in Para State, Brazil. It constitutes a decision that the Rio Verde Project, including the proposed Antas South high grade copper mine, processing plant and associated infrastructures are environmentally feasible.

The approval represents a significant outcome and clears the way for the Company to proceed toward issuance of the Trial Mining Licence after which trial mining can commence. The Operating License also facilitates future exploration and expansion of resources within the project area.

Diamond core drilling for recovery of representative high grade samples for definitive metallurgical process design test work will proceed within weeks. This drilling programme will also increase and upgrade the current resource to measured and indicated categories.

Antas South is one of six known copper occurrences within the boundaries of Rio Verde Project and the area is highly prospective for new discoveries. Rio Verde is located in a premier location for mine development being close to water, sealed roads and power supplies. The project is located approximately 30 kilometres from the regional mining centre of Parauapebas, with a population in excess of 180,000 and growing.

The Company anticipates the Rio Verde Project being moved to a "decision to mine" status and receipt of the Trial Mining License, before end 2010.

TOURO NICKEL PROJECT

The recent drilling programme at The Touro Nickel Project completed four diamond core drill holes for 722 metres. Persistent bad weather and widespread flooding in the region finally forced the Company to suspend operations until conditions improve. Drilling was aimed at testing a number of high IP chargeability anomalies within the 4km long Touro Sill.

Drilling intersected a number of zones of magnetic banded pyroxenite with fine disseminated sulphides. Only selected assay work has been conducted on this drill core to date. Better results from drill holes TSD-3 and TSD-05 over selected 2 metre intersects have returned values of 0.38% nickel, 0.05% copper, 17ppb palladium, 30ppb platinum and 108ppb gold. Whilst the assays to date are low grade the results continue to confirm that the Touro Sill hosts nickel, copper and



Definitive copper flotation testing will be undertaken on representative core samples to be collected from the next Rio Verde drill program.

PGM mineralisation and strongly justifies further exploration to locate higher concentrations of nickel sulphides.

It is now believed that potentially economic grade mineralisation is more likely to be discovered within the footwall contact zone of the differentiated ultramafic sill. Drilling and mapping has shown that the sill footwall contact zone is located north of the recently drilled areas. This contact trend is thought to be the most prospective location for discovering higher concentrations of magmatic nickel sulphides.

Ahead of follow up drilling planned for 3rd quarter 2010, geological mapping and infill soil sampling will be undertaken along the footwall contact trend when weather permits. To further assist in better definition of new drill targets, additional geophysical surveys, including an electromagnetic (EM) survey, are proposed.

CORPORATE

Avanco is well established in the Carajas and continues to increase its influence in the region. Its operational base is located in Parauapebas from where it is directing the development of the Rio Verde Copper Project and the ongoing nickel sulphide exploration at the Touro Nickel Project.

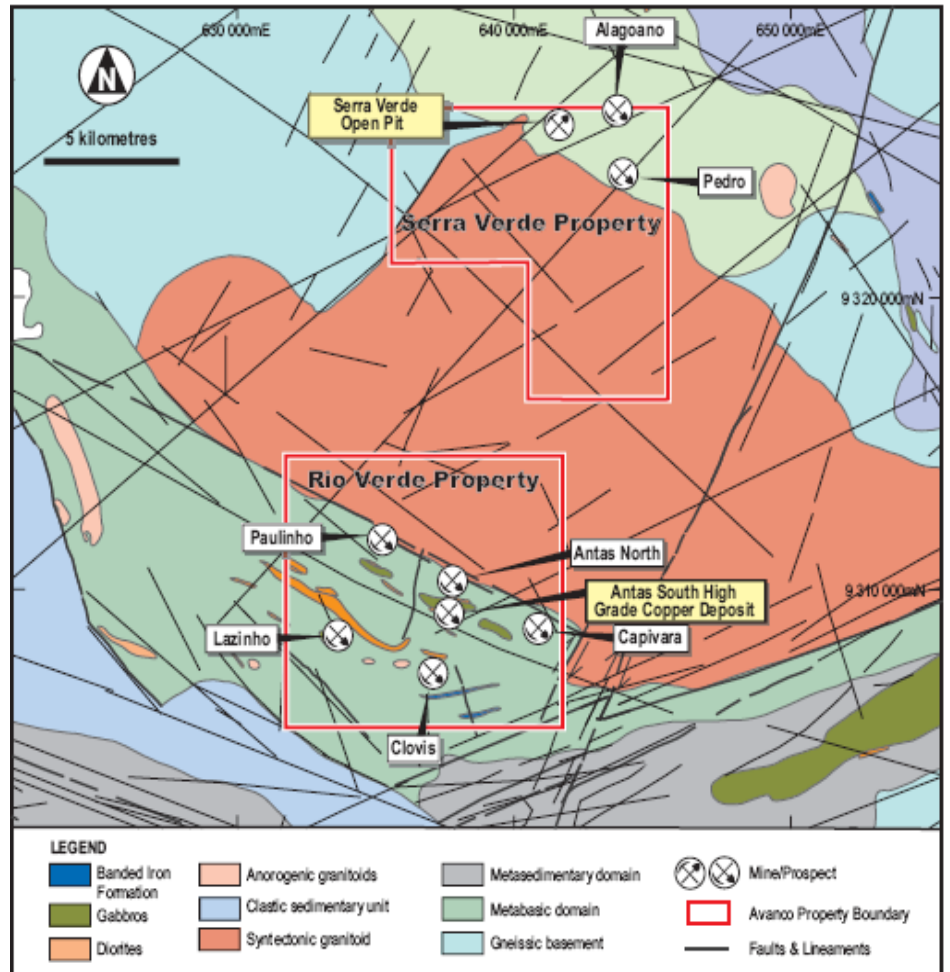
Avanco is also examining a number of options to realise greater value from its Carajas portfolio, this includes potential joint venture opportunities at the Touro Nickel Project and the Trindade North Property.

With nickel exploration success likely requiring increased drilling expenditures and cognisant that copper developments must not be compromised, the Company is investigating alternative funding options for the Touro Nickel Project. The Company has recently signed confidentiality agreements with a number of groups looking at potentially joint funding exploration programmes at the Touro Nickel Project.

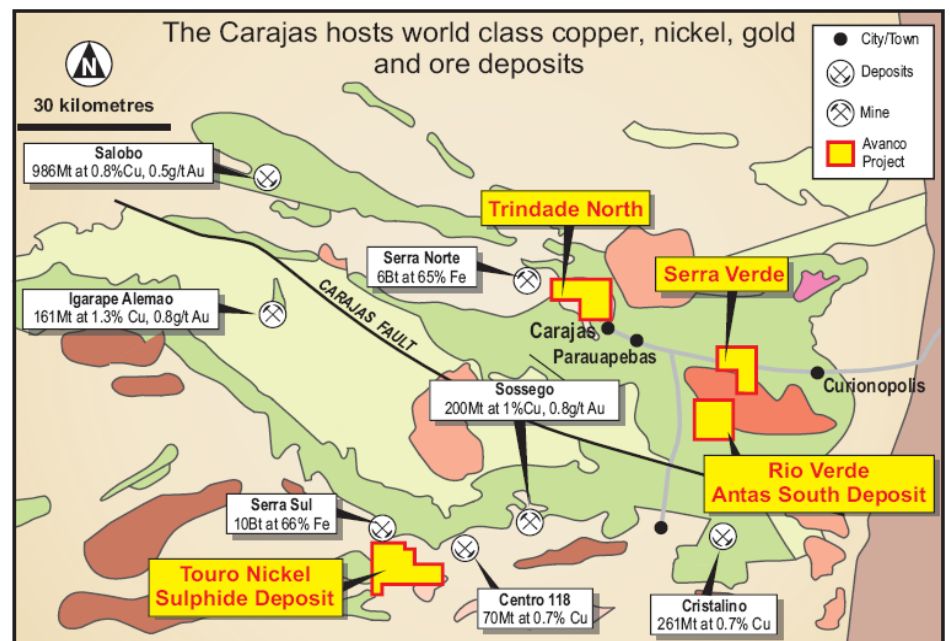
The Trindade North Project is located only kilometers from Vales' World class Carajas Iron Ore Mine. Avanco considers the Trindade North Property highly prospective for the discovery of high grade Carajas style iron ore deposits and is also assessing funding options for this project.

The Company is now in a strong cash position which will enable it to realise near term copper development at the Rio Verde Project whilst co-exploration for nickel sulphides is aggressively pursued.

Tony Polglase
Executive Director



The Antas South Deposit is only one of 9 known copper occurrences existing at Rio Verde and Serra Verde. Both properties are prospective for new copper discoveries.



Avanco is examining a number of options to realise greater value from its Carajas portfolio.

JORC Resource Estimate - Carajas Copper Project

Antas South Deposit* - Oxide and Transitional							
All Material	Indicated		Inferred		Total Resource		
Cu Cut %	Tonnes	Cu%	Tonnes	Cu%	Tonnes	Cu%	Cu Tonnes
0.1	12,662,000	0.45	4,961,000	0.56	17,622,000	0.48	84,400
0.3	6,254,000	0.71	1,723,000	1.27	7,977,000	0.83	66,100
HGZ**	89,000	12.72	121,000	10.87	210,000	11.65	24,500

*Antas South is part of the Carajas Copper Project - Rio Verde Property.

**The HGZ (High Grade Zone) is included within the overall estimation and no top-cut has been applied to the resource in this zone

TOURO NICKEL PROJECT - DRILL PROGRAM MARCH 2010						
Hole	Easting	Northing	Depth (M)	Azim.	Dip	Results
TSD-02	577600	9281600	214.3	360	50	not assayed
TSD-03	579200	9281800	157.3	360	50	no significant assay
TSD-04	579000	9281600	150.1	360	60	not assayed
TSD-05	578400	9281700	200.1	180	60	no significant assay

The information in this report that relates to mineral resources or ore resources is based on information compiled by Mr. Peter Ball who is a member of the Australian Institute of Mining and Metallurgy. Mr. Ball is the manager of Data Geo. Mr. Ball 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 Australian Code for Reporting Exploration Results, Mineral Resources and Ore Reserves. Mr. Ball consents to the inclusion in the report of the matter based on his information in the form and context in which it appears.

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