

ASX Release

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ASX Symbol: AVB, AVBOB



**Avanco is focussed on the
World Class Carajas Province
of Brazil**

\$20 MILLION PLACEMENT CLOSED OVER SUBSCRIBED

Avanco Resources Limited is extremely pleased to announce the raising of \$20 million through a placement to institutional and sophisticated investors to accelerate the exploration and development of the Company's Copper and Nickel Platinum Projects in the World Class Carajas Province of Brazil.

The Company has secured firm commitments from overseas and local subscribers to participate in a Placement by which the Company will raise \$20 million (before costs) through the issue of 200 million shares at an issue price of 10 cents each (Placement). Bell Potter Securities were appointed Lead Managers for the Placement, which has been massively oversubscribed.

The successful completion of this Placement will place the Company in an enviable and strong financial position to aggressively accelerate an expanded 50,000m exploration and development programme over its copper and nickel platinum projects in the World Class Carajas Province of Brazil. The Company is also at an advanced stage of negotiations on several additional high quality copper projects, also located in the Carajas Province.

Use of Funds

Activity	\$M
Exploration Programmes	12
Development Studies	1.5
Acquisition Strategy	3
Working capital	2.3
Placement Costs	1.2
TOTAL	20.0

(Assuming shareholder approval of the second tranche of Placement shares)

The Company intends to immediately commence planning for the commencement of an expanded drilling programme across its portfolio of assets in the World Class Carajas Province. Initial drilling will focus on drilling out and expanding the high grade copper discovery at the Antas South Deposit where previously announced¹ drilling intersected:

9.0 metres at 50.49% Copper from 18 metres

2.05 metres at 42.68% Copper from 49.0 metres

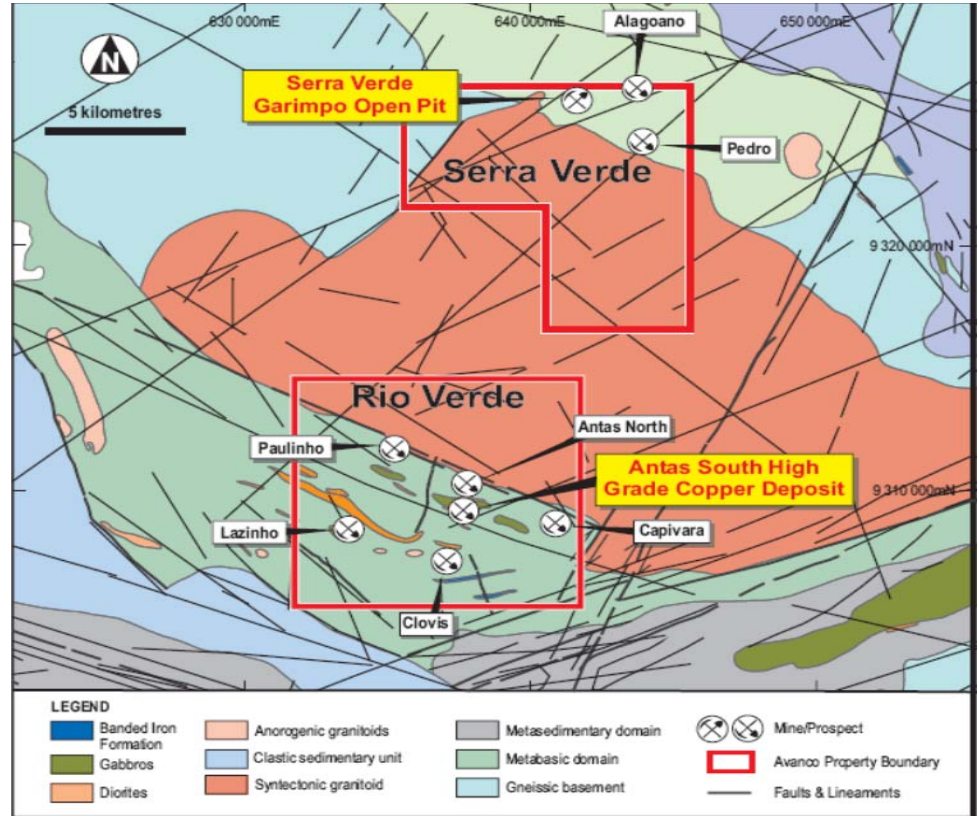
The proposed drilling programme includes:

Antas South Copper Deposit (drill out and extensions):	25,000m
Rio Verde Project (new copper targets):	10,000m
Serra Verde Project (copper targets):	5,000m
Regional copper targets (new projects):	5,000m
Nickel and platinum targets:	5,000m
<u>Total Drilling</u>	<u>50,000m</u>

The Placement will be issued in two tranches. The first tranche of 42.7 million is expected to settle on 10 November 2010. The issue of the second tranche of 157.3 million shares is conditional on shareholders approving the issue of those shares at a general meeting of the Company to be held as soon as practicable.

Avanco believes its recent high grade copper drilling success at the Antas South Deposit (located within the boundaries of Rio Verde Project) provides significant justification for the implementation of a substantial and comprehensive exploration programme. Such a programme would be expected to realise the full potential of Antas South and also test key copper targets across Rio Verde and Serra Verde in a timely way.

Tony Polglase
Managing Director



Rio Verde and Serra Verde are extremely prospective for new copper discoveries

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.

¹ ASX Announcement 'Exceptionally High Grade Copper – Rio Verde Project', 21 September 2010 and ASX Announcement 'More Spectacular Copper Results at Rio Verde', 12 October 2010.