

ASX Release

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ASX Symbol: AVB, AVBOB



**DRILLING FOR COPPER IN  
WORLD CLASS CARAJAS**

# MAJOR RESOURCE UPGRADE FOR RIO VERDE

The Company is pleased to announce a tripling<sup>1</sup> of the JORC Mineral Resources at the Rio Verde Copper Project, Brazil. Resources are further enhanced by a substantial increase in overall copper grade and the addition of significant gold credits to the inventory.

➤ **Rio Verde Global Mineral Resource trebled for:**

**17.77Mt at 1.17% Copper and 0.30g/t Gold for 209,000t of contained  
Copper and 171,000oz of Gold**

➤ **Upgrade includes a maiden JORC Mineral Resource for the Antas North Deposit of:**

**7.69Mt at 1.60% Copper and 0.43g/t Gold for 124,000t of contained  
Copper and 106,000oz of Gold**

➤ **Mineral Resources at the Antas South Deposit have increased more than 25%<sup>1</sup> for:**

**10.80Mt at 0.83% Copper and 0.20g/t Gold for 85,000t of contained  
Copper and 65,000oz of Gold**

RIO VERDE – JORC Mineral Resources Summary*						
DEPOSIT	Category	Million Tonnes	Cu (%)	Au (g/t)	Copper Metal (T)	Gold Metal (Oz)
ANTAS NORTH	Indicated	3.28	1.57	0.46	52,000	49,000
	Inferred	4.42	1.63	0.40	72,000	57,000
	<b>Total</b>	<b>7.69</b>	<b>1.60</b>	<b>0.43</b>	<b>124,000</b>	<b>106,000</b>
ANTAS SOUTH	Measured	0.59	1.34	0.18	8,000	3,000
	Indicated	7.50	0.70	0.20	53,000	49,000
	Inferred	1.99	1.18	0.20	24,000	13,000
	<b>Total</b>	<b>10.08</b>	<b>0.83</b>	<b>0.20</b>	<b>85,000</b>	<b>65,000</b>
<b>GLOBAL TOTAL</b>		<b>17.77</b>	<b>1.17</b>	<b>0.30</b>	<b>209,000</b>	<b>171,000</b>

\* Grade Tonnage Reported above a Cut-off Grade of 0.4% Cu for Sulphide Resources, and 0.3% Cu for Oxide resources

- **Potential for identifying additional resources at Antas North is high.**
- **Three rigs continue to test depth extension, strike extension and proximal VTEM (electromagnetic) targets. The continuation of mineralisation has already been intersected in new holes AAND-51<sup>2</sup> and AAND-54<sup>2</sup>, located east of Antas North.**

**AAND-51**  
Copper sulphides



**AAND-54**  
Copper sulphides

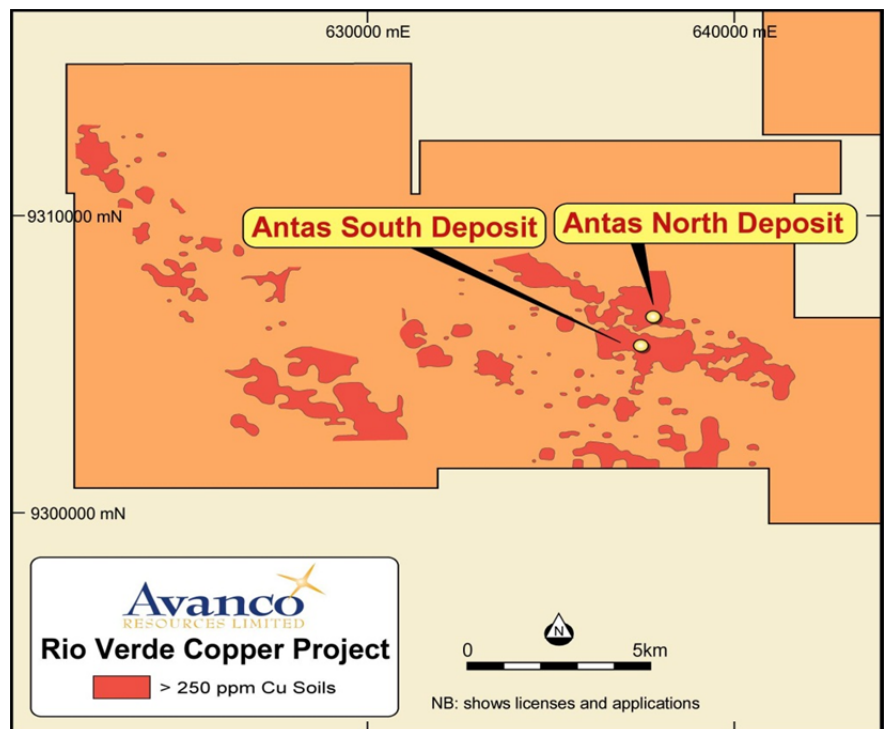
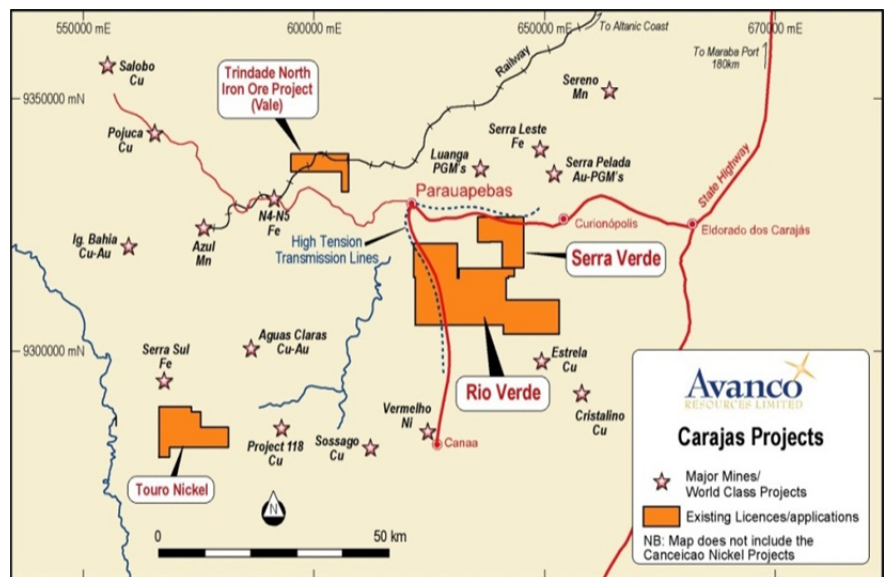


The new Mineral Resource at Antas North represents a significant step towards the Company's goal of building a large, long life copper mine.

With drilling on-going and the pursuit of a number of advanced projects, the Company expects to provide regular updates on an expanding resource base.

Tony Polglase  
Managing Director

1. See comparable 0.3% Cu Cut-off resource (containing 66,100t Copper) in ASX Announcement "Maiden JORC Resource Carajas Copper Project", 12 January 2009.
2. Drill holes in progress and/or results pending.



Detailed Mineral Resources - Antas North*						
Ore Type	Category	Million Tonnes	Cu (%)	Au (ppm)	Copper Metal (T)	Gold Metal (Oz)
Sulphide	Indicated	2.528	1.78	0.57	44,900	46,600
	Inferred	3.347	1.98	0.51	66,200	55,200
	<b>Total</b>	<b>5.875</b>	<b>1.89</b>	<b>0.54</b>	<b>111,100</b>	<b>101,800</b>
Oxide	Indicated	0.748	0.88	0.08	6,600	1,900
	Inferred	1.070	0.54	0.05	5,800	1,800
	<b>Total</b>	<b>1.818</b>	<b>0.68</b>	<b>0.06</b>	<b>12,400</b>	<b>3,700</b>
<b>TOTAL</b>	Indicated	3.276	1.57	0.46	52,000	49,000
	Inferred	4.417	1.63	0.40	72,000	57,000
	<b>TOTAL</b>	<b>7.693</b>	<b>1.60</b>	<b>0.43</b>	<b>124,000</b>	<b>106,000</b>

Detailed Mineral Resources - Antas South*							
Weathering	Ore Type	Category	Million Tonnes	Cu (%)	Au (ppm)	Copper Metal (T)	Gold Metal (Oz)
Oxide	High Grade Zone	Measured	0.035	11.03	0.64	3,800	700
		Indicated	0.015	10.68	0.76	1,600	400
		Inferred	0.002	7.94	0.49	200	30
		<b>Total</b>	<b>0.051</b>	<b>10.80</b>	<b>0.67</b>	<b>5,600</b>	<b>1,100</b>
	Disseminated	Measured	0.500	0.54	0.12	2,700	2,000
		Indicated	6.647	0.56	0.17	37,400	37,100
		Inferred	0.844	0.57	0.12	4,800	3,200
		<b>Total</b>	<b>7.992</b>	<b>0.56</b>	<b>0.16</b>	<b>44,900</b>	<b>42,300</b>
	Total	Measured	0.535	1.22	0.16	6,500	2,700
		Indicated	6.662	0.58	0.18	39,000	37,500
		Inferred	0.846	0.58	0.12	5,000	3,200
		<b>Total</b>	<b>8.043</b>	<b>0.63</b>	<b>0.17</b>	<b>50,500</b>	<b>43,400</b>
Fresh	High Grade Zone	Measured	0.012	9.52	0.84	1,100	300
		Indicated	0.109	4.90	0.72	5,300	2,500
		Inferred	0.207	5.05	0.75	10,500	5,000
		<b>Total</b>	<b>0.328</b>	<b>5.16</b>	<b>0.74</b>	<b>16,900</b>	<b>7,800</b>
	Disseminated	Measured	0.045	0.66	0.23	300	300
		Indicated	0.731	1.12	0.36	8,200	8,500
		Inferred	0.933	0.86	0.15	8,100	4,400
		<b>Total</b>	<b>1.709</b>	<b>0.97</b>	<b>0.24</b>	<b>16,600</b>	<b>13,200</b>
	Total	Measured	0.057	2.51	0.36	1,400	600
		Indicated	0.840	1.61	0.41	13,500	11,000
		Inferred	1.140	1.63	0.26	18,600	9,400
		<b>Total</b>	<b>2.037</b>	<b>1.64</b>	<b>0.32</b>	<b>33,500</b>	<b>21,000</b>
TOTAL	High Grade Zone	Measured	0.047	10.64	0.69	5,000	1,000
		Indicated	0.124	5.58	0.73	7,000	3,000
		Inferred	0.209	5.08	0.74	11,000	5,000
		<b>Total</b>	<b>0.380</b>	<b>5.93</b>	<b>0.73</b>	<b>23,000</b>	<b>9,000</b>
	Disseminated	Measured	0.545	0.55	0.13	3,000	2,000
		Indicated	7.378	0.62	0.19	46,000	46,000
		Inferred	1.777	0.72	0.13	13,000	8,000
		<b>Total</b>	<b>9.700</b>	<b>0.63</b>	<b>0.18</b>	<b>62,000</b>	<b>56,000</b>
	TOTAL	Measured	0.592	1.34	0.18	8,000	3,000
		Indicated	7.502	0.70	0.20	53,000	49,000
		Inferred	1.986	1.18	0.20	24,000	13,000
		<b>Total</b>	<b>10.080</b>	<b>0.83</b>	<b>0.20</b>	<b>85,000</b>	<b>65,000</b>

\* Grade Tonnage Reported above a Cut-off Grade of 0.4% Cu for Sulphide Resources, and 0.3% Cu for Oxide resources

**The Mineral Resource estimate was completed by CSA Global Pty Ltd (CSA) for the Antas North and Antas South Deposits based on the following:**

- Geological interpretations and three dimensional modelling was completed by Avanco and CSA based on sectional and plan interpretations.
- The interpretation and wireframes were generated based on 50m × 50m and 50m × 25m exploration drilling patterns, covering the extent of the mineralisation in the Antas North area and 25m × 20m and 50m × 20m exploration drilling patterns for the Antas South area.
- Drill hole samples were flagged for both Assay and Density according to mineralisation
- Statistical analysis has been carried out for the 1m composites. Top Cuts were used to treat the high-grade outliers of the domains based on a review of domain histograms and log probability plots.
- A ‘flattening’ or an ‘unfolding’ process has been carried out prior to variography and interpolation.
- The variography analysis was based on the “flattened” data of the major variables in each domain.
- A block model was created using 10.0mE × 5.0mN × 5.0mRL parent blocks. Sub-cells were generated down to 2.0mE × 1.0mN × 1.0mRL. Grade estimation was separately carried out using the linear estimation method of Ordinary Kriging (OK) for Copper and Gold. The OK method uses estimation parameters defined by the Variography.
- Quantitative Kriging Neighbourhood analysis (QKNA) was undertaken on a subset of blocks in the main domains to establish optimum search and minimum/maximum composite parameters.
- Density data were also estimated by Ordinary Kriging (OK).
- Statistical, visual and plot assessment of the Block Model was undertaken to assess successful application of the various estimation passes. Antas North and Antas South Mineral Resources have been classified and reported in accordance with the JORC Code. Resource classification is based on confidence in the QA/QC data analysis, geological interpretation, drill spacing and geostatistical measures.
- The potential for the identification of additional resources in the Antas North deposit is high. A total of over 4.4 Mt @ 1.60 % Cu has been estimated in the Inferred Mineral Resource estimate for Antas North, and over 1.9 Mt @ 1.1 % Cu for Antas South. This in itself offers immediate targets for closer spaced drilling which would likely upgrade the category of these resources. This typical iron-oxide-copper-gold (IOCG) style of mineralisation remains open at depth and along strike.

***Competent Persons Statement***

*The information in this report that relates to Mineral Resources is based on information compiled by Dr. Bielin Shi, who is a member of the Australasian Institute of Mining and Metallurgy and Australian Institute of Geoscientists. Dr. Shi is an employee of CSA Global Pty. Ltd. Dr. Shi has sufficient experience 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”. Dr. Shi consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.*

*The information in this report that relates to Exploration Results is based on information compiled by Mr. Simon Mottram who is a Fellow 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.*



