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ASX Symbol: AVB, AVBOB



**Immediate Drill Success at
Serra Verde Project
ASVD-02**

CARAJAS COPPER EXPLORATION UPDATE

The Company is very pleased to report that the Rio Verde Project continues to return very high grade copper results and that Avanco's major 50,000m drill programme is expanding rapidly with significant copper mineralisation currently being intersected in new drilling at the Serra Verde Copper Project.

HIGHLIGHTS

RIO VERDE COPPER PROJECT

- **Drilling from Rio Verde continues to return very high grade copper intersects supporting continuity and increasing the strike length of the High Grade Zone (HGZ). Results include:**
 - **ARVD-103 2.10m at 9.21% Copper from 38.0m**
 - **ARVD-105 1.0m at 18.83% Copper from 57.4m**
 - **ARVD 106 0.8m at 18.98% Copper from 62.0m**
- **Core logging at Rio Verde continues to record high concentrations of chalcocite mineralisation in key new drill holes.**

SERRA VERDE PROJECT

- **The third drilling rig has commenced at the Serra Verde Project yielding immediate success.**
- **Hole ASVD-02 at the Pedro Prospect (within the boundaries of Serra Verde) has intersected 7.23m of primary copper sulphide (chalcopyrite) from 72.87m, and a further 0.75m of primary copper sulphide (chalcopyrite) from 90.45m.**
- **The Pedro Prospect is located at the eastern end of the extensive 2.5km long "Baiano" copper gold soil anomaly. The Company is extremely encouraged by drilling progress and the potential for a copper discovery at this very early stage.**

RIO VERDE COPPER PROJECT

Two diamond drilling rigs have completed approximately 1070m for 14 drill holes, with the main focus of drilling oriented to extending the high grade copper discovery at the Antas South Deposit where previously announced¹ drilling intersected:



Rio Verde drill hole at the eastern extension of the HGZ, ARVD- 114 has been logged with high concentrations of chalcocite, assay results are pending.

- **9.0m at 50.49% Copper from 18m**
- **2.05m at 42.68% Copper from 49m**

Early results from the current programme have returned significant copper values in all holes, with most holes containing similar high grade copper intersects as reported from the 2010 drill programme¹. Moreover, core logging continues to record high concentrations of chalcocite in recently completed drill holes. This is considered highly encouraging with strike length remaining open in both directions.

Current high grade results include:-

- **ARVD-103 2.10m at 9.21% Copper from 38.0m**
- **ARVD-105 1.0m at 18.83% Copper from 57.4m**
- **ARVD 106 0.8m at 18.98% Copper from 62.0m**

Additional diamond core drilling rigs are expected at Rio Verde during the coming weeks and are scheduled to:

- **Accelerate the drill out of the high grade zone.**
- **Drill the open extensions to the greater Antas South Deposit, with the aim of achieving a significant increase in the known oxide copper resources.**
- **Test for primary massive sulphides below the shallow high grade zone.**
- **Test down plunge potential for the presence of exceptionally high grade shoots within the larger envelope of the high grade zone.**
- **Drill test deep geophysical anomalies which exist under the Antas South HGZ.**
- **Drill additional known high grade satellite targets at Rio Verde.**

SERRA VERDE PROJECT

The third diamond rig has commenced drilling at Serra Verde and has completed 2 holes for approximately 187m at the Pedro Copper Prospect. An excellent start has been made to drilling with chalcopyrite copper sulphide mineralisation identified. This early exploration success is very encouraging and supports the Company's view that the Serra Verde Project, like its southern Rio Verde neighbour, is also very prospective for copper discoveries.

The Pedro prospect is situated at the eastern end of the extensive 2.5km long "Baiano" copper gold soil anomaly. The Baiano trend is defined by +500ppm



**CURRENT DRILLING AT
THE RIO VERDE COPPER
PROJECT**

copper geochemistry and coincident gold in soils / auger, with peak gold values having been recored up to 4.87g/t Au, see Fig. 1.1&1.2

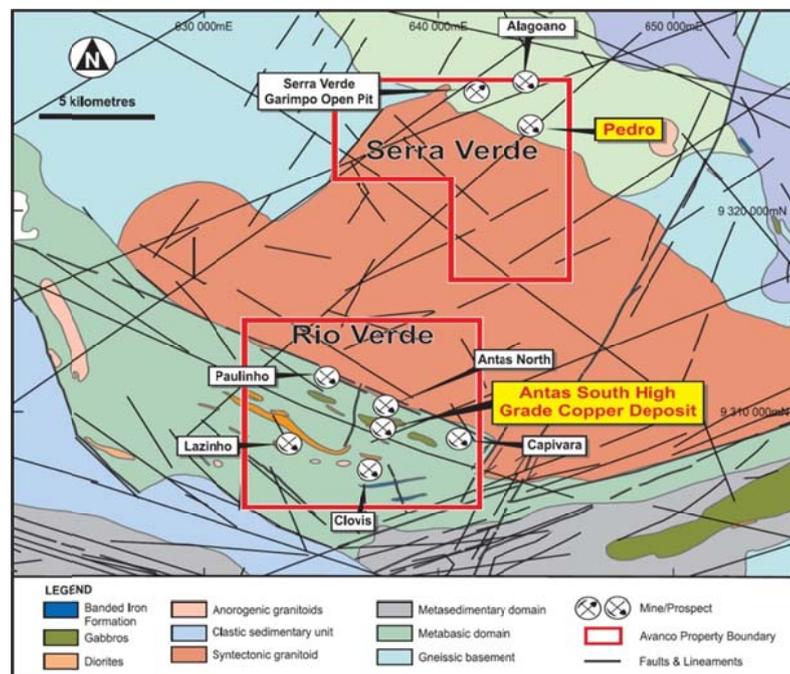
At the western end of the Baiano trend is the Alagonao prospect and the Serra Verde historic open pit. The abandoned pit has been evaluated previously² and returned high grade copper gold channel sampling results, including:

- **4.5m at 16.5% copper and 4.1g/t gold**
- **4.3m at 8.92% copper and 48.4g/t gold**
- **9.6m at 3.44% copper and 3.29/t gold**
- **9.0m at 5.81% copper and 4.48/t gold**
- **2.0m at 7.77% copper**
- **2.0m at 7.02% copper**

As with the Pedro Prospect, mineralisation associated with the historic pit is structurally controlled and likely associated with deeper massive sulphides. These structural controls have been poorly understood by past explorers and the Company is confident that the current 5,000m Serra Verde drill programme applied systematically to the numerous high priority targets will yield results.

Avanco's 50,000m drill programme is being aggressively expanded with additional drill rigs expected to mobilise in the coming weeks.

Tony Polglase
Managing Director



- 1 ASX announcement " More Spectacular Copper results at Rio Verde", 12 October 2010 & ASX announcement "Exceptionally high grade copper confirmed at the Rio Verde Project", 21 September 2010
- 2 ASX announcement, "Serra Verde Copper Project", 17 August 2010



The historic open pit exists towards the north of Serra Verde Project.

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.



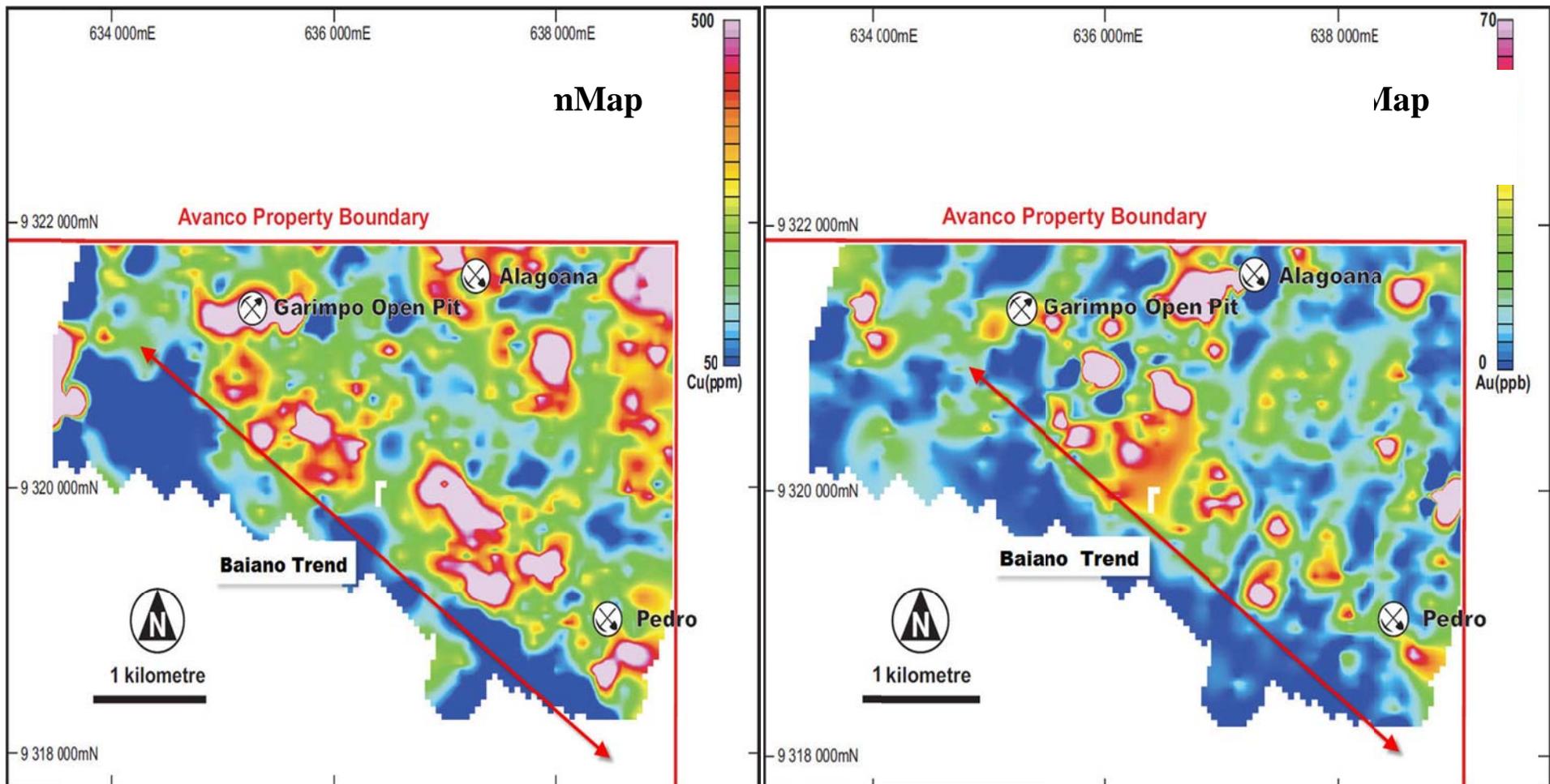
Rio Verde hole ARVD-115 red-brown semi-massive zone interpreted to be fine disseminated chalcocite + bornite + chalcopyrite, collard at the western extension of the HGZ, assay results are pending.



Serra Verde hole ASVD-02, collared near the Pedro Prospect, shows significant width of primary copper sulphide, chalcopyrite mineralisation. This is considered an excellent start to the new Serra Verde 5,000m drill programme, assay results are pending.



Serra Verde – Primary copper sulphide, chalcopyrite mineralised drill core from the Pedro Prospect.



The Serra Verde is 100% Avanco owned. Excellent infrastructure is a feature of the extensive 7,500ha property.

RIO VERDE PROJECT - ANTAS SOUTH - DIAMOND DRILLING RESULTS 2010-2011

Hole ID	UTM-E	UTM-N	Dip	Az	Depth (m)	Status	From (m)	To (m)	Width (m)	Cu %
ARVD-103	638032	9309025	-60	360	60.4	completed	38	40.1	2.1	9.21
ARVD-104	638032	9309015	-60	360	44.1	completed	2.0	20.7	18.7	0.40
ARVD-105	638032	9309035	-60	360	70.0	completed	57.4	58.4	1.0	18.83
ARVD-106	638156	9308976	-60	360	74.9	completed	62.0	62.8	0.8	18.98
ARVD-107	638305	9309038	-60	360	50.0	completed	results pending			
ARVD-108	638305	9309018	-60	360	74.1	completed	results pending			
ARVD-109	637650	9309610	-50	180	106.3	completed	results pending			
ARVD-110	637950	9309150	-60	360	141.6	completed	results pending			
ARVD-111	638180	9308980	-60	360	69.0	completed	results pending			
ARVD-112	638500	9308825	-50	360	70.5	completed	results pending			
ARVD-113	638500	9308875	-60	360	74.5	completed	results pending			
ARVD-114	638180	9308970	-60	360	71.8	completed	results pending			
ARVD-115	637895	9309095	-60	360	61.2	completed	results pending			
ARVD-116	638180	9308960	-60	360	101.3	completed	results pending			

SERRA VERDE PROJECT - PEDRO PROSPECT - DIAMOND DRILLING RESULTS -2011

Hole ID	UTM-E	UTM-N	Dip	Az	Depth (m)	Status	From (m)	To (m)	Width (m)	Cu %
ASVD-01	644893	9323708	-50	140	70.3	completed	results pending			
ASVD-02	645200	9323450	-50	180	117.4	completed	results pending			