

ASX Release

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ASX Symbol: AVB



**Avanco – Copper focussed
with projects in the world
class Carajas, Brazil**

EXCEPTIONAL EARLY RESULTS FROM RESERVE DRILLING PROGRAMME

The Company is extremely pleased to advise the successful ramp up of the Stage 1 (Antas North) drilling programme with five drilling rigs now operational. Early drill holes have returned abundant visible copper mineralisation recorded over substantial intersects from near surface. A visual inspection of the drill core re-affirms and validates the Company's strategy for rapid implementation of the Antas North Copper Mine.

HIGHLIGHTS

- **Holes AAND-67 and 68 intersected the orebody¹ close to surface as was interpreted, high concentrations of Chalcopyrite (primary Copper mineral) over significant widths were logged accordingly:**
 - **AAND-68 (total depth 90.80m) intersected 83.35m (~64m True Width) of mineralisation from surface, including 58.75m (~45m True Width) of Sulphide mineralisation from 24.60m (~19m True Depth).**
 - **AAND-67 (total depth 75.65m) intersected 56.30m (~43m True Width) of mineralisation from surface, including 33.95m (~26m True Width) of Sulphide mineralisation from 22.35m (~17m True Depth).**
- **This part of the orebody (Section 637,850E) is significantly wider near surface than delineated in earlier 50m spaced drilling. Importantly it hosts near surface (previously concealed) higher concentrations of copper mineralisation (photos AAND-068, 071) and was until now a location not considered a priority for sourcing early mine production**
- **Following these discoveries an additional 25m infill drill section (637,825E) was added further West (photos AAND-072, 074), where mineralisation appears to be improving, i.e. hole AAND-074 including 5.10m of massive sulphide Chalcopyrite**
- **These (shallow) holes confirm the continuation of the orebody close to surface and presents new opportunities for optimisation of the open pit model**
- **Three diamond rigs continue to progress the 25m x 25m resource / reserve drill out of Antas North, 861m of the planned 2,005m has been completed**
- **While management maintains the view that infill drilling should show “more of the same”, geological observations (for the opening ~40% of the programme) significantly exceed expectations for the western side of the deposit**
- **Two bespoke geotechnical drilling rigs are currently testing engineering / soil mechanics proximal to the proposed tailings dam and plant footprints. Although still at an early stage, the presence of near**



**AAND-067. Pictured from
True Depth: ~38.00m**



**AAND-067. Close-up
Breccia Matrix
Mineralisation**

surface “competent basal rock” has been identified, a feature considered highly desirable for sound dam design and operation

- Condemnation drilling aimed at sterilising areas nominated for construction continues using all three of the Company’s Power Auger rigs
- The Open Pit Geotechnical diamond drill programme will be undertaken on completion of the resource / reserve programme

Early observations have exceeded management expectations. Following comprehensive on site management discussions, the Directors have approved the Company’s first development expenditures aimed at securing long lead plant and equipment for the development of the Antas North Copper Mine.

Tony Polglase
Managing Director



**AAND-068
Pictured from True Depth: ~41.30m**



**AAND-068
Close-up Breccia Matrix Mineralisation**



AAND-071. Change from Chalcocite to Chalcopyrite at Transition/Fresh Rock interface, True Depth: 16.00m



AAND-073. Close-up massive sulphide mineralisation



**AAND-069
Pictured from True Depth: ~45.20m**



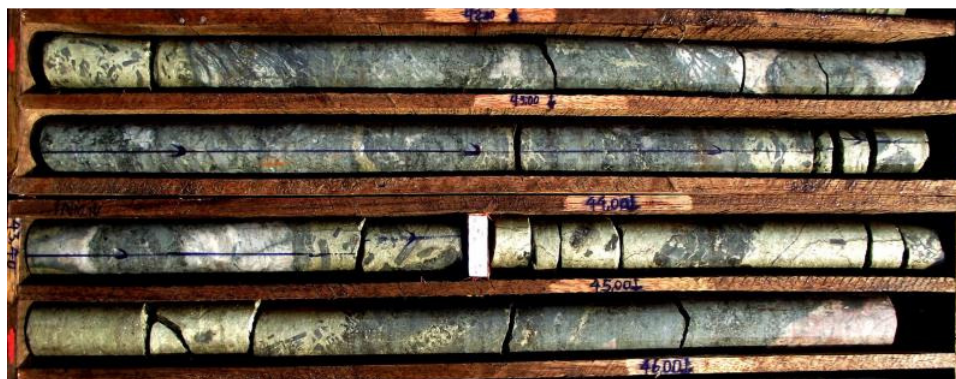
**AAND-070
Pictured from True Depth: ~45.20m**



**AAND-071
Pictured from True Depth: ~20.50m**



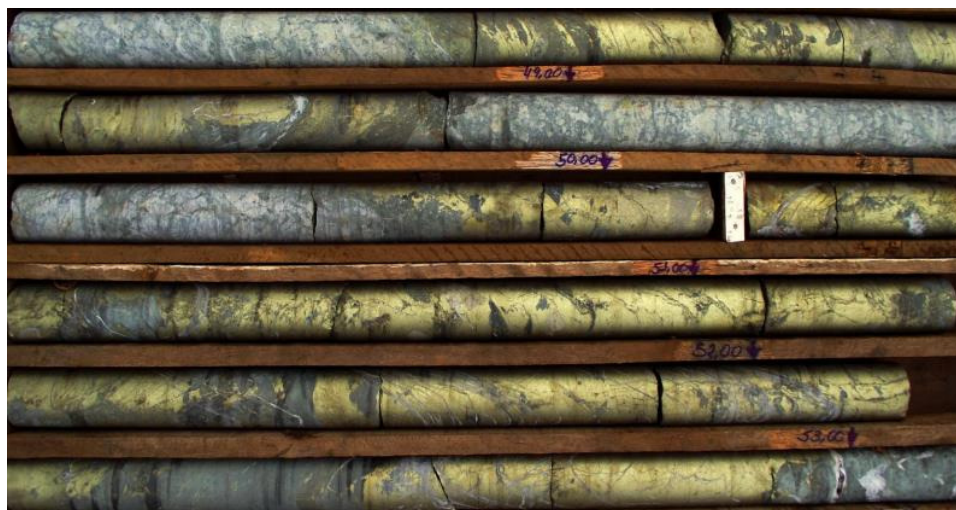
**AAND-074. Close-up
massive sulphide
mineralisation**



**AAND-072
Pictured from True Depth: ~31.90m**



**AAND-073
Pictured from True Depth: ~70.50m**



**AAND-074
Pictured from True Depth: ~37.20m**



Dedicated Geotechnical Drilling Rigs Testing Soils and Rock Mechanics to collect information for engineering design of mine facilities



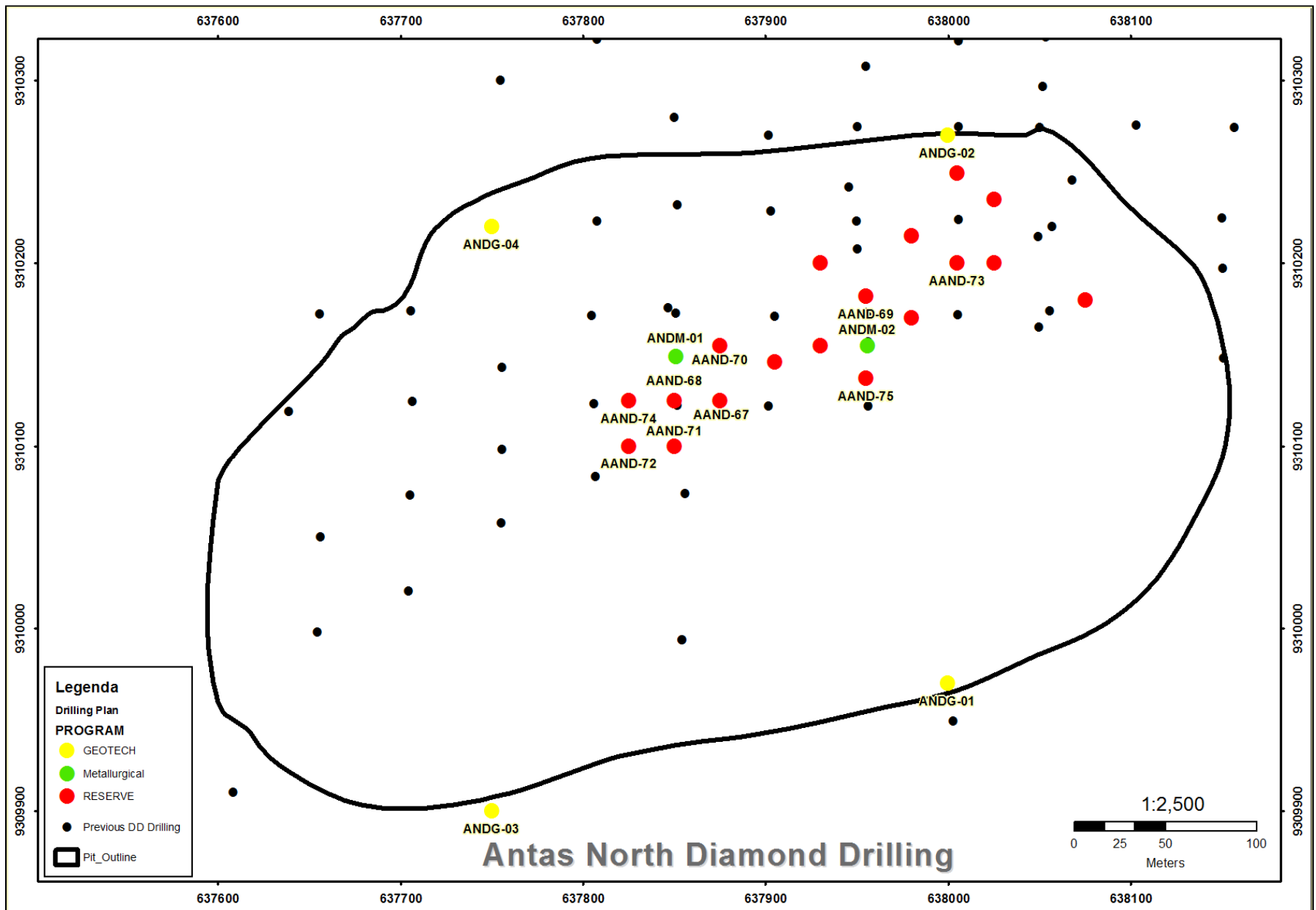
Exploration Director Simon Mottram, Chairman Matthew Wood and Managing Director Tony Polglase on site with three drilling rigs on the Reserve Drill Out Programme - Stage 1 Antas North Copper Mine, Carajas, Brazil

CARAJAS - TOTAL JORC Reported Mineral Resources^{2,3,4}						
DEPOSIT	Category	Million Tonnes	Cu (%)	Au (ppm)	Copper Metal (T)	Gold Metal (Oz)
PEDRA BRANCA	Inferred	46.82	1.20	0.33	560,000	500,000
	Total	46.82	1.20	0.33	560,000	500,000
ANTAS NORTH	Indicated	6.56	1.87	0.46	122,000	98,000
	Inferred	4.48	1.35	0.26	60,000	38,000
	Total	11.04	1.65	0.38	183,000	135,000
ANTAS SOUTH	Measured	0.59	1.34	0.18	8,000	3,000
	Indicated	7.5	0.7	0.2	53,000	49,000
	Inferred	1.99	1.18	0.2	24,000	13,000
	Total	10.08	0.83	0.2	85,000	65,000
TOTAL		67.94	1.22	0.32	828,000	700,000

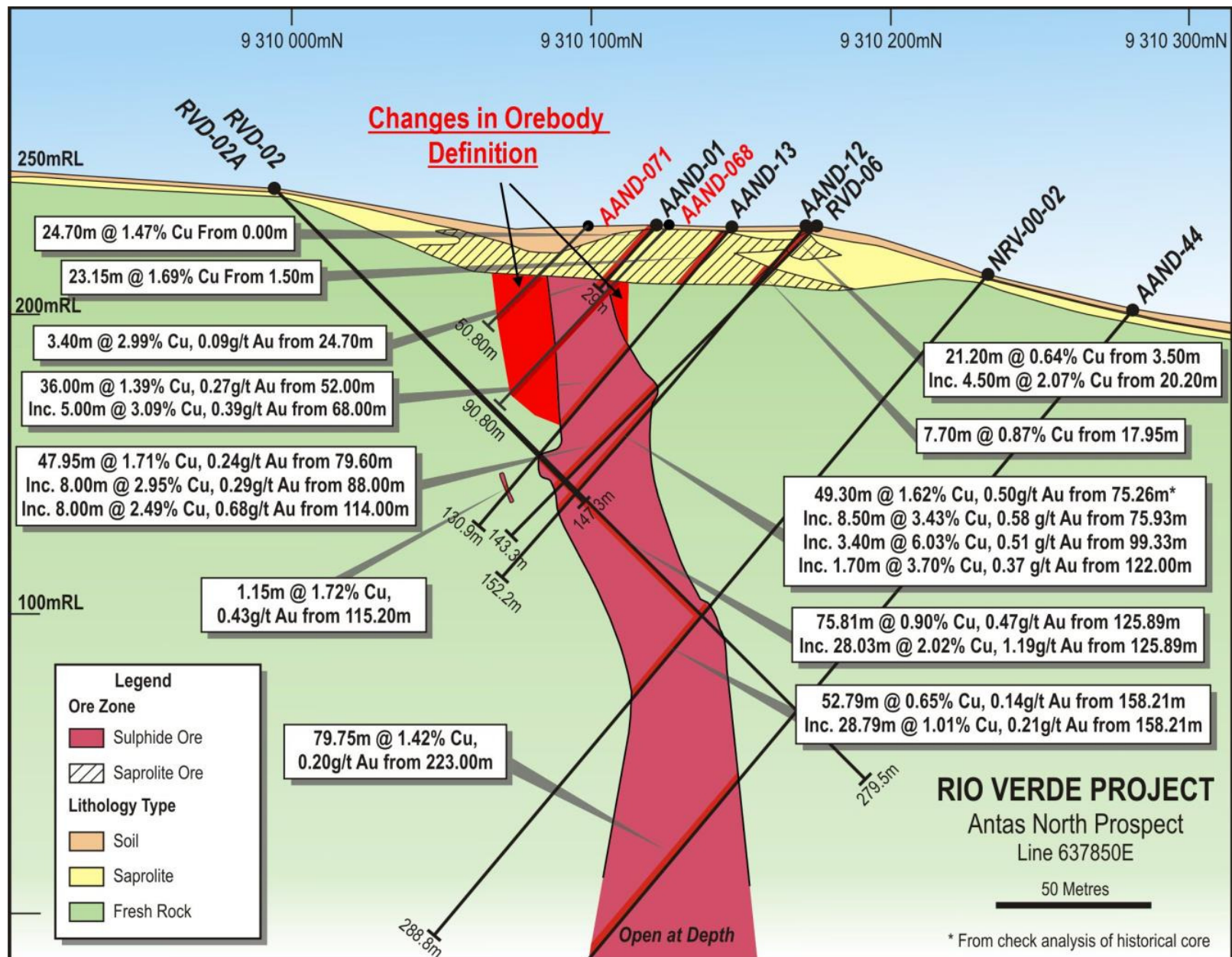
Competent Persons Statement

The information in this report that relates to Mineral Resources and 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 an Executive Director of Avanco Resources Limited, in which he is also a shareholder. 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 2012 Edition of the Joint Ore Reserves Committee (JORC) "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.

1. The orebody is defined as an Iron Oxide Copper Gold (IOCG) deposit, typical of that found in the Carajas Province of Brazil, and well documented in respected geological texts
2. See ASX announcement "Stage II – Pedra Branca Resource Upgrade", 24 June 2013 and "Significant Resource Growth at Antas North", 05 June 2012; for Competent Person's Consent, material assumptions and technical parameters underpinning the resource estimates
3. The company confirms that all material assumptions and technical parameters underpinning the resource estimates continue to apply and have not materially changed
4. Grade Tonnage Reported above a Cut-off Grade of 0.4% Cu for Sulphide Resources, and 0.3% Cu for Oxide resources



ANTAS NORTH PLANNED DRILLING. Resource/Reserve drilling. Metallurgical Drilling. Geotechnical drilling.



ANTAS NORTH MINE - DIAMOND DRILLING RESULTS 2013/2014

Hole ID	UTM-E	UTM-N	RL (m)	Dip	Az	Depth (m)	Status	From (m)	To (m)	Downhole Width (m)	True Width (m)	Cu %	Au g/t
APBD-067	637874.990	9310125.001	252.248	-50.00	180.00	75.65	Completed	At Laboratory					
APBD-068	637850	9310124.993	246.526	-50.00	180.00	90.80	Completed	At Laboratory					
APBD-069	637955	9310182	275	-60.00	180.00		In Progress						
APBD-070	637875	9310155	252	-50.00	180.00	118.10	Completed	At Laboratory					
APBD-071	637850.019	9310100.004	247.052	-50.00	180.00	50.80	Completed	At Laboratory					
APBD-072	637,824,996	9,310,100,002	241,408	-50.00	180.00	76.75	Completed	At Core Yard					
APBD-073	638,005	9,310,200	287	-50.00	180.00		In Progress						
APBD-074	637,825,000	9,310,125,007	240,662	-50.00	180.00	110.80	Completed	At Core Yard					
APBD-075	637,955	9,310,137	276	-50.00	180.00		In Progress						

The following Table and Sections are provided to ensure compliance with the JORC Code (2012 Edition). No Assay Results are included in this report.

TABLE 1 – Section 1: Sampling Techniques and Data, Antas North Deposit

Criteria	JORC Code explanation	Commentary
Sampling techniques	<ul style="list-style-type: none"> Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling. 	<ul style="list-style-type: none"> Drilling at Antas North is by Diamond drilling on a nominal spacing of 25m by 25m. Core is cut in half onsite using an industry standard core saw, perpendicular to mineralisation or geology to produce two identical (mirrored) halves. Samples are collected consistently from the same side of cut core, sent to an internationally accredited independent assay laboratory, and analysed for a suite of elements by appropriate analytical techniques for the style and type of Iron Oxide Copper Gold (IOCG) mineralisation found at Antas North.
	<ul style="list-style-type: none"> Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used. 	<ul style="list-style-type: none"> The drill hole collar locations are picked up by Differential GPS, by appropriately qualified local survey contractors. Drill samples are logged for lithology, weathering, structure (diamond core), mineralogy, mineralisation, colour and other features. Logging and sampling is carried out according to Avanco protocols and QAQC procedures as per industry standard, and overseen by the Company's Geological Managers and Competent Person.
	<ul style="list-style-type: none"> Aspects of the determination of mineralisation that are Material to the Public Report. In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information. 	<ul style="list-style-type: none"> Diamond core is HQ and NQ in size, sampled on mineralised intervals or regular 1.0m intervals in wide mineralised zones. Core is cut in half to produce sample weights of 3-5kg. Samples are crushed, dried and pulverised (total prep) to produce a sub-sample for analysis. Using a four digest drill core samples are analysed for Cu (ICP) and Au (Fire Assay, 50g). Mineralised zones and samples with >1,000ppm Cu are further analysed for "Ore Grade" Cu by Atomic Absorption, and commonly for Ag also. Additional elements may be assayed based on geological observations.
Drilling techniques	<ul style="list-style-type: none"> Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc). 	<ul style="list-style-type: none"> Not including the current drill programme, drilling to date has been a combination of HQ and NQ Diamond drilling (66 holes) and historic shallow RC (face sample) drilling for oxide potential (11 holes).
Drill sample recovery	<ul style="list-style-type: none"> Method of recording and assessing core and chip sample recoveries and results assessed. 	<ul style="list-style-type: none"> Diamond core recoveries are logged and recorded in the database. Overall recoveries are consistently >95% in oxide and >98% in fresh rock. Drill sample recoveries are recorded as an average for each metre and recorded in the database. Recoveries are excellent and there are no known sample recovery problems.

Criteria	JORC Code explanation	Commentary
	<ul style="list-style-type: none"> Measures taken to maximise sample recovery and ensure representative nature of the samples. 	<ul style="list-style-type: none"> Diamond core is reconstructed into continuous runs on an angle iron cradle for recovery measurement and core orientation. Depths are checked against those marked on the core blocks, and against the drilling company's records.
	<ul style="list-style-type: none"> Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material. 	<ul style="list-style-type: none"> With an excellent history of sample recoveries there is no known sample bias or potential for sample bias.
Logging	<ul style="list-style-type: none"> Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies. 	<ul style="list-style-type: none"> Drill samples are logged for lithology, weathering, structure (diamond core), mineralogy, mineralisation, colour and other features. Logging and sampling is carried out according to Avanco protocols and procedures as per industry standard, and overseen by the Company's Geological Managers and Competent Person. The Company believes that the level of detail and quality of the work is appropriate to support current and future studies.
	<ul style="list-style-type: none"> Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography. 	<ul style="list-style-type: none"> Drill samples are logged for lithology, weathering, structure (diamond core), mineralogy, mineralisation, colour and other features. Core is photographed both wet and dry.
	<ul style="list-style-type: none"> The total length and percentage of the relevant intersections logged. 	<ul style="list-style-type: none"> All drill holes are logged in full from start to finish of the hole.
Sub-sampling techniques and sample preparation	<ul style="list-style-type: none"> If core, whether cut or sawn and whether quarter, half or all core taken. 	<ul style="list-style-type: none"> Core is cut in half onsite using an industry standard core saw, perpendicular to mineralisation or geology to produce two identical (mirrored) halves. Samples are collected consistently from the same side of cut core.
	<ul style="list-style-type: none"> If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry. 	<ul style="list-style-type: none"> Historic RC drilling was Riffle split and sampled only when dry
	<ul style="list-style-type: none"> For all sample types, the nature, quality and appropriateness of the sample preparation technique. 	<ul style="list-style-type: none"> Sample preparation is according to industry standard, including oven drying, coarse crush, and pulverisation to at least 85% passing 75µm or better.
	<ul style="list-style-type: none"> Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples. 	<ul style="list-style-type: none"> Avanco's uses an industry standard QAQC programme involving Certified Reference Materials "standards" (with Cu grades ranging from low to very high) and blank samples, which are introduced in the assay batches at an approximate rate of one control sample per 20 normal samples. These QAQC results are reported along with the sample values in the preliminary and final analysis reports. Umpire checking of the Primary laboratory is then carried out by a Secondary laboratory, where both are internationally accredited independent assay laboratories.
	<ul style="list-style-type: none"> Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling. 	<ul style="list-style-type: none"> Duplicates are inserted at an approximate rate of 1 duplicate per 30 normal samples. Umpire checking of the Primary laboratory is then carried out at an approximate rate of 1 control sample per 20 normal samples by a Secondary laboratory. Both are internationally accredited independent laboratories.

Criteria	JORC Code explanation	Commentary
	<ul style="list-style-type: none"> Whether sample sizes are appropriate to the grain size of the material being sampled. 	<ul style="list-style-type: none"> Sample sizes are considered to be appropriate and correctly represent the style and type of mineralisation.
Quality of assay data and laboratory tests	<ul style="list-style-type: none"> The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total. 	<ul style="list-style-type: none"> Core samples use a four acid digest, which is a standard industry method for Base and Precious metals analysis. The acids used are hydrofluoric, nitric, perchloric and hydrochloric acids, suitable for silica based samples. The method approaches total dissolution of most minerals. "Ore grade" Cu is further analysed by an accredited AAS "Ore Grade" analysis method.
	<ul style="list-style-type: none"> For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc. 	<ul style="list-style-type: none"> It is the Company's policy not to use in-house tools to determine reportable results for anything other than regional soil sampling. XRF's are used internally by Company geologists to assist in geological and mineralogical interpretation.
	<ul style="list-style-type: none"> Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established. 	<ul style="list-style-type: none"> Avanco's uses an industry standard QAQC programme involving Certified Reference Materials "standards" (with Cu grades ranging from low to very high), blank samples, duplicated and Umpire Laboratory check sampling. Data is analysed and reported internally on a monthly basis for accuracy, precision, repeatability and various biases. This data is also handed over and independently scrutinised by the Company's independent Resource Consultants (CSA Global), as part of any resource modelling work.
Verification of sampling and assaying	<ul style="list-style-type: none"> The verification of significant intersections by either independent or alternative company personnel. 	<ul style="list-style-type: none"> Avanco's Exploration Manager (~30 years' experience) and Chief Geoscientist (~40 years' experience) visually verify significant intersections and results, with further verification by the Company's Competent Person.
	<ul style="list-style-type: none"> The use of twinned holes. 	<ul style="list-style-type: none"> The Company uses twin holes routinely in the more advanced stages of resource definition drilling, and for metallurgical drilling
	<ul style="list-style-type: none"> Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols. 	<ul style="list-style-type: none"> Primary data is collected on Excel templates with detailed geological and structural logging recorded on paper. Information is transferred, validated, complied, and managed by the Company's in-house database manager in a relational database. All Company Intellectual Property is stored on a central Sever, kept in a secure and environmentally controlled room. Automated tape back-up occurs on a nightly basis and duplicate back-ups are regularly rotated "off-site" as a secondary precaution in case of loss of the Server site.
	<ul style="list-style-type: none"> Discuss any adjustment to assay data. 	<ul style="list-style-type: none"> No adjustments or calibrations are made to any reported assay data.
Location of data points	<ul style="list-style-type: none"> Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation. 	<ul style="list-style-type: none"> Collar locations are surveyed by TopGeo of Parauapebas, Para using Differential GPS tied into the State Survey Datum using true Sea Level RL's. Downhole surveys are done using a Maxbor digital down-hole tool with readings every 3m.

Criteria	JORC Code explanation	Commentary
	<ul style="list-style-type: none"> <i>Specification of the grid system used.</i> <i>Quality and adequacy of topographic control.</i> 	<ul style="list-style-type: none"> Universal Transverse Mercator, SAD69 Zone 22 South Detailed Topographic control (1m contours) and Digital Terrain Models were generated with the use of a Drone Survey Aircraft by TopGeo. TopGeo also maintain a network of local survey marks onsite at topographic highs, tied to the State Survey Datum.
Data spacing and distribution	<ul style="list-style-type: none"> <i>Data spacing for reporting of Exploration Results.</i> <i>Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.</i> <i>Whether sample compositing has been applied.</i> 	<ul style="list-style-type: none"> The current drill spacing at Antas North is nominally 50m by 50m. The current drill programme aims to infill this data to a nominal spacing of 25m by 25m in the top half of the deposit, for the later generation of reserves sufficient to warrant the start of mining. Sufficient continuity in both geology and mineralisation has been established to support the classification of Company's existing JORC Reported Mineral Resources as defined in the 2012 JORC Code. As the Company progresses resources to higher levels of confidence in the JORC classification, it will collect appropriate data to ensure compliance with any new classification. In the JORC Reported resource estimate the majority of samples are 1m in length, with only a small number of mostly end of hole samples being larger than 1m long, or less than 1m where core samples are cut to the limit of mineralisation. In these cases samples are Compositing to 1m. Statistical analysis shows that this has no effect due to their locations.
Orientation of data in relation to geological structure	<ul style="list-style-type: none"> <i>Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.</i> <i>If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.</i> 	<ul style="list-style-type: none"> Geology and mineralisation at Antas North is approximately sub-vertical, dipping slightly to the North. Thus the majority of drilling is angled to the south, dipping as low as possible (typically -50°) in order to achieve intersections at the most optimal angle possible. The company does not believe that any sample bias has been introduced which could have a material effect on the resource model, particularly given the strong correlation of mineralisation between holes.
Sample security	<ul style="list-style-type: none"> <i>The measures taken to ensure sample security.</i> 	<ul style="list-style-type: none"> "Chain of custody" is managed by Avanco. All core samples are received intact and in their entirety in their core trays at the Company's secure Core Yard in Parauapebas, Para, Brazil. All sampling and work on the samples is carried out within the confines of this secure facility. Samples are delivered by Avanco personnel directly to the laboratory in Parauapebas and thus at no point do the samples leave the possession of Avanco staff prior to arriving at the laboratory. Avanco has protocols and procedures for tracking the progress of the samples through the laboratory, ensuring accurate validation and authentication of results issued by the laboratory in relation to the samples that were submitted.

Criteria	JORC Code explanation	Commentary
<i>Audits or reviews</i>	<ul style="list-style-type: none"> <i>The results of any audits or reviews of sampling techniques and data.</i> 	<ul style="list-style-type: none"> CSA Global completed a full onsite (in Brazil) review of all Company drilling, sampling, data and exploration management procedures from start to finish, including a visit to the independent laboratory facilities, as part of their own “Competent Person’s” due diligence, prior to commencing Resource Estimation work for Avanco on the Company’s projects in Brazil. Avanco received a very favourable review, with no area needing any significant change or improvement, or any concern with the quality and integrity of data received by CSA Global from Avanco’s Competent Person.