



Announcement to the Australian Securities Exchange – December 22, 2010
Encouraging Copper and Gold Results from Avenue/Gateway Gidgee Project JV
ASX Code: AVY

HIGHLIGHTS

- **Successful completion of the RC (10 holes, 1737m) and aircore (19 holes, 1282m) drilling programmes at the Gidgee Project JV with Gateway Mining Limited (ASX: GML)**
- **Aircore geochemical drilling in the Western Tenements intersected multi-element base metal anomalism of a similar tenor to that in the initial shallow RAB drilling at The Cup copper prospect. The Cup is a copper discovery by JV partners Gateway Mining, which has significant RC intersections including 26m @ 1.45% copper**
- **Aircore holes in the Western Tenements intersected copper values in saprolite to 0.21% and zinc to 811 ppm**
- **This geochemical anomalism is associated with strong EM conductors and zones of semi-massive to massive sulphides and gossans over an interpreted strike length of +2 km**
- **This prospect has not yet been tested by deeper RC drilling**
- **RC drillhole AGRC001 at the Rosie Northeast prospect intersected 120m (to end of hole) @ 0.42g/t Au**
- **This is 50m west of historic drillhole WRC012, which intersected 102m (to end of hole) @ 0.42 g/t Au**

GIDGEE PROJECT – WESTERN AUSTRALIA

Avenue Resources Limited (“Avenue” or “The Company”) is earning into two groups of tenements in the Gidgee area of Western Australia through two farm-in agreements with Gateway Mining Limited (“Gateway”). One group of tenements is currently held 100% by Gateway (Avenue earning 80%) and the other group held 85% by Gateway and 15% by Goldfan Limited, a wholly owned subsidiary of PT Bumi Resources (Avenue earning 70%).

The Project is situated over the Gum Creek Greenstone Belt, in a region that has historically produced over 1.0 million ounces of gold, largely from the Gidgee gold mining centre to the west of the project area. A number of shallow open pits (Figure 1) within the JV tenements produced approximately 100,000oz of oxide gold in the late 1980’s to early 1990’s with mining carried out by Herald Resources and Polaris Pacific. In addition, the nearby Gidgee Mine has produced approximately 1.0 million ounces of gold, largely through operations undertaken by Australian Resources Limited.

Avenue has recently completed both RC (10 holes, 1737m) and aircore (19 holes, 1282m) drilling programmes over the JV tenements. Significant results to date are presented below. Note that all assay samples presented here are 5m composite samples.

A summary of the drilling results is shown in Figure 1 at the end of the text.

RESULTS – NOVEMBER 2010 DRILLING

Western Tenements – Gossans Galore (Tenements E57/417, E57/688, P57/1232, P57/1152 AVY earning 80%)

Avenue drilled 19 aircore holes for 1282m to test historical RAB results and EM geophysical anomalies at the Gossans Galore prospect in the western group of tenements. Results from this work are very encouraging, **with up to 0.21% Cu and 811ppm Zn being intersected in single 5m composites in the saprolite zone in this shallow geochemical drilling.** The geochemical anomalism also displays anomalous lead, arsenic and barium. A number of the drillholes also intersected weathered sulphides and gossans, largely coincident with the EM geophysical anomalies resulting from previous work by Gateway Mining.

Drillhole locations and copper results are shown in Figure 2; maximum single 5m composite base metal assay values and intersections for holes with anomalous geochemistry are shown in Table 1 and drillhole collar details in Table 3.

A very encouraging aspect is that the tenor of this multi-element anomalism and geology is similar to that seen in shallow RAB drilling in saprolite at “The Cup” copper prospect, a virgin copper discovery by Gateway. Subsequent deeper RC drilling at The Cup by Gateway has intersected significant copper, including 26m @ 1.45% copper (in a broader intersection of 77m @ 0.7% copper) in hole GRC200 and 17m @ 1.53% copper (in a broader intersection of 44m @ 0.79% copper) in hole GRC183.

Table 1 – Anomalous maximum in hole results and significant intersections, Western Tenements (results from 5m composites, using a 250ppm cutoff for Cu, 300ppm for Zn and 50ppm for lead, 5m max internal dilution)

<i>Hole</i>	<i>Maximum in hole</i>			<i>Significant Intersections</i>
	<i>Cu_ppm</i>	<i>Pb_ppm</i>	<i>Zn_ppm</i>	
AGAC002	213	21	811	55m @ 483ppm Zn from 25m
AGAC003	2,130	144	113	55m @ 661ppm Cu from 20m 10m @ 101ppm Pb from 55m
AGAC004	639	27	712	40m @ 426ppm Cu from 5m
AGAC005	355	48	315	5m @ 355ppm Cu from 35m 5m @ 315ppm Zn from 40m
AGAC007	304	22	240	10m @ 300ppm Cu from 20m
AGAC008	272	21	275	10m @ 268ppm Cu from 25m
AGAC009	645	396	308	40m @ 412ppm Cu from 30m 60m @ 153ppm Pb from 20m
AGAC010	773	31	325	30m @ 477ppm Cu from 40m
AGAC011	410	25	460	30m @ 325ppm Cu from 50m 20m @ 398 ppm Zn from 55m
AGAC012	279	23	228	15m @ 251ppm Cu from 20m
AGAC016	370	16	248	20m @ 315ppm Cu from 30m
AGAC017	322	19	333	30m @ 283ppm Cu from 40m
AGAC018	223	17	312	5m @ 312ppm Zn from 30m
AGAC019	581	70	346	35m @ 427ppm Cu from 20m

Work over the coming months will include a full synthesis and interpretation of the data, to aid in planning further field activities, which are expected to include more detailed EM surveying and RC drilling.

Rosie Northeast (Tenement M57/099, AVY earning 70%)

Drilling on this prospect was designed to follow up an intersection of 102m @ 0.42 g/t gold in historic drillhole WRC012. Four holes totalling 665m (including one hole abandoned at 65m) were drilled at this prospect, with only one hole hitting appreciable mineralisation as given in Table 2 below. Drillhole details are given in Table 3.

Table 2 – Significant results, Rosie Northeast Prospect

<i>Hole</i>	<i>From (m)</i>	<i>To (m)</i>	<i>Length (m)</i>	<i>Grade (g/t Au)</i>	<i>Notes</i>
AGRC001	25	50	25	0.15	0.1 g/t Au downhole cutoff, 5m composite samples, 5m internal dilution
AGRC001	80	200	120	0.42	0.1 g/t Au downhole cutoff, 5m composite samples, 5m internal dilution
<i>Including</i>	110	115	5	1.55	1 g/t Au downhole cutoff, 5m composite samples
<i>Including</i>	130	135	5	1.27	1 g/t Au downhole cutoff, 5m composite samples
<i>Including</i>	190	195	5	1.25	1 g/t Au downhole cutoff, 5m composite samples

This hole is located 50m to the east of WRC012 (Figure 3), and intersected similar gold grades, with both holes being weakly mineralised to the end of hole. These holes are still open to the north and south, however have now been closed off to the east.

The Company will now carry out a review and interpretation of this data to ascertain the significance of these results. This will then be used to plan follow up work.

Whistler (Tenement M57/217, AVY earning 70%)

Two RC drillholes totalling 376m were drilled to test north-south trending structures at Whistler that are believed to host the current 24,800oz JORC resource below the current pit, possible northern extensions of that mineralisation and interpreted hanging wall mineralisation as seen in a number of historic drillholes.

This drilling intersected no significant intersections; however drillhole AGRC006 did intersect **30m @ 0.52 g/t Au from 120m in basalts**. The depth of this intersection is coincident with the interpreted position of the targeted hanging wall structure, and may represent a low grade area between higher grade shoots along the plane of the vein.

Montague Boulder (Tenement M57/098, AVY earning 70%)

Three holes totalling 534m were drilled to test for possible extensions to mineralisation under the existing Montague Boulder pit. These holes failed to intersect any significant mineralisation, however, due to access and ground conditions hole AGRC009 was not drilled from the optimum position and had to be prematurely terminated at 137m (target depth 200m).

The Cup (Tenement E57/417, AVY earning 80%)

One hole for 162m was drilled at The Cup, to test for downdip mineralisation as previously intersected in holes GRC183 (44m @ 0.79% Cu, including 17m @ 1.53% Cu) and GRC200 (77m @ 0.7% Cu, including 26m @ 1.45% Cu). Sulphides were intersected at the target depth, and assays are awaited.

*Table 3 – Drillhole details, November 2010 programme
“AGAC” – aircore, “AGRC” – RC*

<i>Hole_ID</i>	<i>Easting AGD 84</i>	<i>Northing AGD 84</i>	<i>RL</i>	<i>Depth (m)</i>	<i>Dip</i>	<i>Azimuth UTM</i>	<i>Prospect</i>	<i>Licence</i>
AGAC001	748,000	6,963,100	500	41	-60	360	Gossans Galore	E57/417
AGAC002	748,000	6,963,000	500	108	-60	360	Gossans Galore	P57/1152
AGAC003	748,000	6,962,900	500	76	-60	360	Gossans Galore	E57/688
AGAC004	748,000	6,962,800	500	45	-60	360	Gossans Galore	E57/688
AGAC005	747,460	6,963,800	500	54	-60	360	Gossans Galore	E57/417
AGAC006	747,460	6,963,700	500	45	-60	360	Gossans Galore	E57/417
AGAC007	747,460	6,963,600	500	52	-60	360	Gossans Galore	E57/417
AGAC008	747,460	6,963,500	500	70	-60	360	Gossans Galore	E57/417
AGAC009	746,000	6,963,400	500	76	-60	360	Gossans Galore	P57/1232
AGAC010	746,000	6,963,350	500	86	-60	360	Gossans Galore	P57/1232
AGAC011	746,000	6,963,300	500	88	-60	360	Gossans Galore	P57/1232
AGAC012	747,650	6,962,400	500	67	-60	90	Gossans Galore	E57/688
AGAC013	747,600	6,962,400	500	55	-60	90	Gossans Galore	E57/688
AGAC014	747,550	6,962,400	500	55	-60	90	Gossans Galore	E57/688
AGAC015	747,450	6,962,400	500	79	-60	90	Gossans Galore	E57/688
AGAC016	747,350	6,962,400	500	50	-60	90	Gossans Galore	E57/688
AGAC017	747,300	6,962,400	500	74	-60	90	Gossans Galore	E57/688
AGAC018	747,750	6,962,400	500	53	-60	90	Gossans Galore	E57/688
AGAC019	748,000	6,962,950	500	108	-60	360	Gossans Galore	P57/1152
AGRC001	751,501	6,965,002	500	200	-60	270	Rosie NE	M57/099
AGRC002	751,602	6,965,004	500	65	-60	270	Rosie NE	M57/099
AGRC002A	751,613	6,965,001	500	200	-60	274	Rosie NE	M57/099
AGRC003	751,699	6,965,008	500	200	-60	270	Rosie NE	M57/099
AGRC004	750,920	6,966,640	500	200	-60	357	Monty Boulder	M57/098
AGRC005	751,600	6,968,198	500	191	-60	270	Whistler	M57/217
AGRC006	751,622	6,968,047	500	185	-60	271	Whistler	M57/217
AGRC007	747,987	6,967,997	500	162	-90	0	The Cup	E57/417
AGRC008	750,993	6,966,847	500	197	-60	251	Monty Boulder	M57/098
AGRC009	750,745	6,966,869	500	137	-60	99	Monty Boulder	M57/098

CONTACT AND DISCLAIMER

For any enquiries please contact Michael Cawley (Director) on 02 93771500, or for technical questions Mark Gordon (Consultant Geologist) on 0437 867931.

Any information in this document that relates to Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Mr. Mark Gordon, a consultant to Avenue Resources, a Member of the Australasian Institute of Mining and Metallurgy (CPGeo) and Australian Institute of Geoscientists. Mr. Gordon has a minimum of 5 years 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. Gordon consents to the inclusion in this document of the matters based on his information in the form and context in which it appears.

Figure 1: Gidgee Project area, showing Joint Venture tenements, geology and summary of November 2010 drilling results

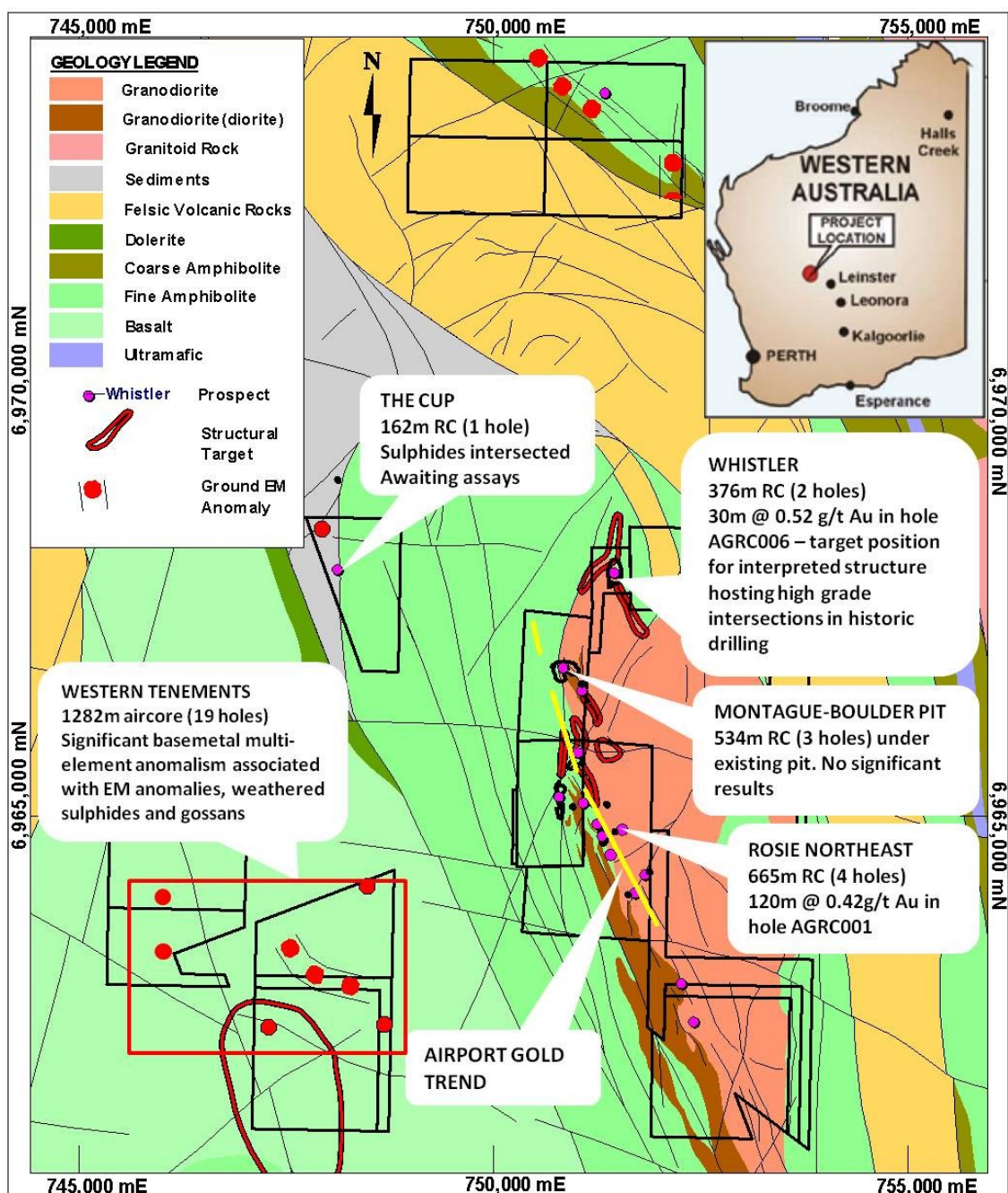


Figure 2: Western Tenements, 2010 aircore and historic RAB drilling results, EM anomalies

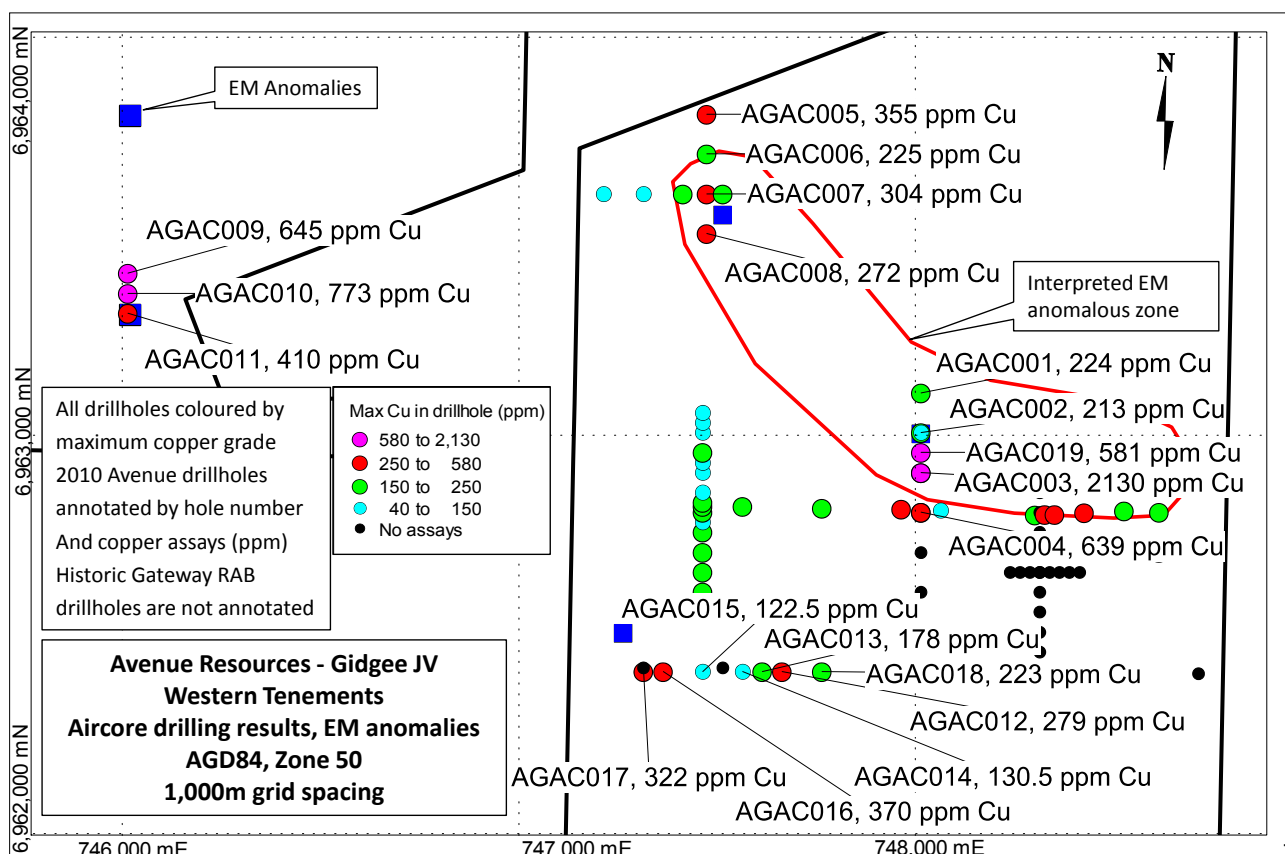


Figure 3: Rosie Northeast section 6965000N

