

Quarterly Report

For the three months ending 31 December 2002

Quarter Highlights

- Avoca completed 5 traverses for 109 RAB drill holes over its 8km segment of the Zuleika Shear tenements at Mungari, south of Frog's Leg. Significant pathfinder anomalism confirms the region's prospectivity and will be the focus of additional drilling in the March quarter.
- Sampling of surface piles from the historic Yorke Valley Mine near Maitland on the Yorke Peninsula has returned assays of up to 10.5 g/t gold and 6.5% copper.
- The presence of numerous copper - gold mines and showings around the Pine Point area confirms the central-east coast of the Yorke Peninsula to be an historic copper-gold mining district. Significantly, the area has seen negligible modern exploration and therefore provides Avoca with an excellent opportunity for a copper-gold discovery.
- Results from an extensive partial leach geochemical survey completed over 12,000km² of the Olympic Copper-Gold Province has defined three large areas of coincident copper-gold-rare earth element-uranium anomalism.
- A 182 hole RAB and 22 hole RC drilling program by Placer Dome on the Blister Dam JV has returned several significant results from both near surface and bedrock. Drilling is targeting narrow high grade quartz veins associated with the Zuleika Shear.
- A 119 hole RAB and 3 hole RC drill program by Gutnick Resources on the South Laverton JV has also returned several highly anomalous near surface intersections.

Exploration Operations

1. WA Exploration Projects (100% AVO)

One hundred and nine RAB/RC drill holes for 4,854m were completed over five traverses on the previously unexplored 8km long segment of the Zuleika Shear within the Company's Mungari Gold Project. Avoca's drilling represents the first drill campaign recorded over this large segment of the Zuleika Shear and its associated stratigraphy. No significant gold assays were returned however strongly anomalous pathfinder anomalism confirms the potential for gold mineralisation and warrants further drilling.

Ultra-detailed aeromagnetic data required to site bedrock drill targets within the 700m long drill defined Yeti anomaly on Lake Way was pursued during the quarter.

Reconnaissance geochemistry commenced on the Jimberlana PGM project and planning to complete a heritage survey to clear the project for systematic PGM exploration was nearing completion at quarter-end.

1.1 Mungari Gold Project

AVOCA COMPLETED THE FIRST RECORDED DRILL PROGRAM OVER ITS ZULEIKA SHEAR TENEMENTS. 109 HOLES WERE DRILLED OVER DEFINED SOIL ANOMALIES AND AREAS WHERE SOILS WERE INEFFECTIVE. NO SIGNIFICANT GOLD ASSAYS WERE RETURNED, HOWEVER STRONGLY ANOMALOUS PATHFINDER ANOMALISM IS VERY ENCOURAGING AND WARRANTS FURTHER EXPLORATION.

Avoca's Mungari Gold Project lies 15km west of Kalgoorlie and 10km SSE of the 780,000oz Frog's Leg discovery situated within the 6Moz Kundana

gold camp. The Avoca tenure comprises an 8km segment of the Zuleika Shear and associated stratigraphy. No previous drilling has been recorded on the tenements.

During the quarter, the Company completed an infill soil sampling program with the collection of 783 soil samples. The 200m x 25m infill soil program defined 5 discrete, NNW oriented gold-in-soil anomalies adjacent to the Zuleika Shear. The gold-in-soil anomalies measured in excess of 1km in length at greater than 30 ppb Au. Each of the anomalies was subsequently drill tested by a single RAB or RC traverse for a total of 33 holes for 1,604m. No significant gold assays were returned however strongly anomalous pathfinder element anomalies including silver to 1.4 g/t and arsenic to 520ppm were returned, further supporting the area's mineralisation potential.

Avoca's target mineralisation associated with the Zuleika Shear is narrow high grade quartz veins. This style of target characteristically produces gold dispersion haloes of very limited extent. Accordingly, pathfinder anomalism is often used to provide more of an indication of prospectivity when gold dispersion is reduced. The strongly anomalous pathfinder results indicate the area remains prospective for gold mineralisation and will require future exploration to be undertaken in a systematic approach using key geological information obtained from the first pass RAB drilling.

Avoca also drilled two lines of RAB holes 800m apart in the north-central area of the tenement, also adjacent to the Zuleika Shear. Seventy-six RAB holes for 3,132m were drilled over the width of the tenement in an area where late sediment sheetwash precluded effective soil sampling. No significant gold assays were returned, however pathfinder anomalism was intersected.

Prior to completing a second round of RAB drilling during the March quarter, Avoca will complete a comprehensive review of all drill data together with a detailed geological interpretation of the Zuleika Shear-adjacent stratigraphic package based on bottom of hole sampling. A solid understanding of the local geology is critical to exploration success at Mungari as evidenced within the Kundana camp where gold deposits lie along lithological contacts.

1.2 Wiluna South Gold Project

AVOCA IS FINALISING THE ACQUISITION OF ULTRADETAILED AEROMAGNETIC DATA THAT IS REQUIRED TO SITE BEDROCK DRILL TARGETS WITHIN THE 700M LONG YETI ANOMALY ON LAKE WAY. BEDROCK DRILLING WILL COMMENCE ONCE INTERPRETATION IS COMPLETE

Avoca's Wiluna South Gold Project is situated on Lake Way, lying 15km SSE and along strike of the 5Moz Wiluna Gold Camp.

During the quarter Avoca pursued the acquisition of ultra-detailed aeromagnetic data over the project area. To further advance the project, and in particular the Yeti prospect, interpretation of high resolution magnetic data is required to define bedrock drill targets within the drill-defined 700m long near surface anomaly.

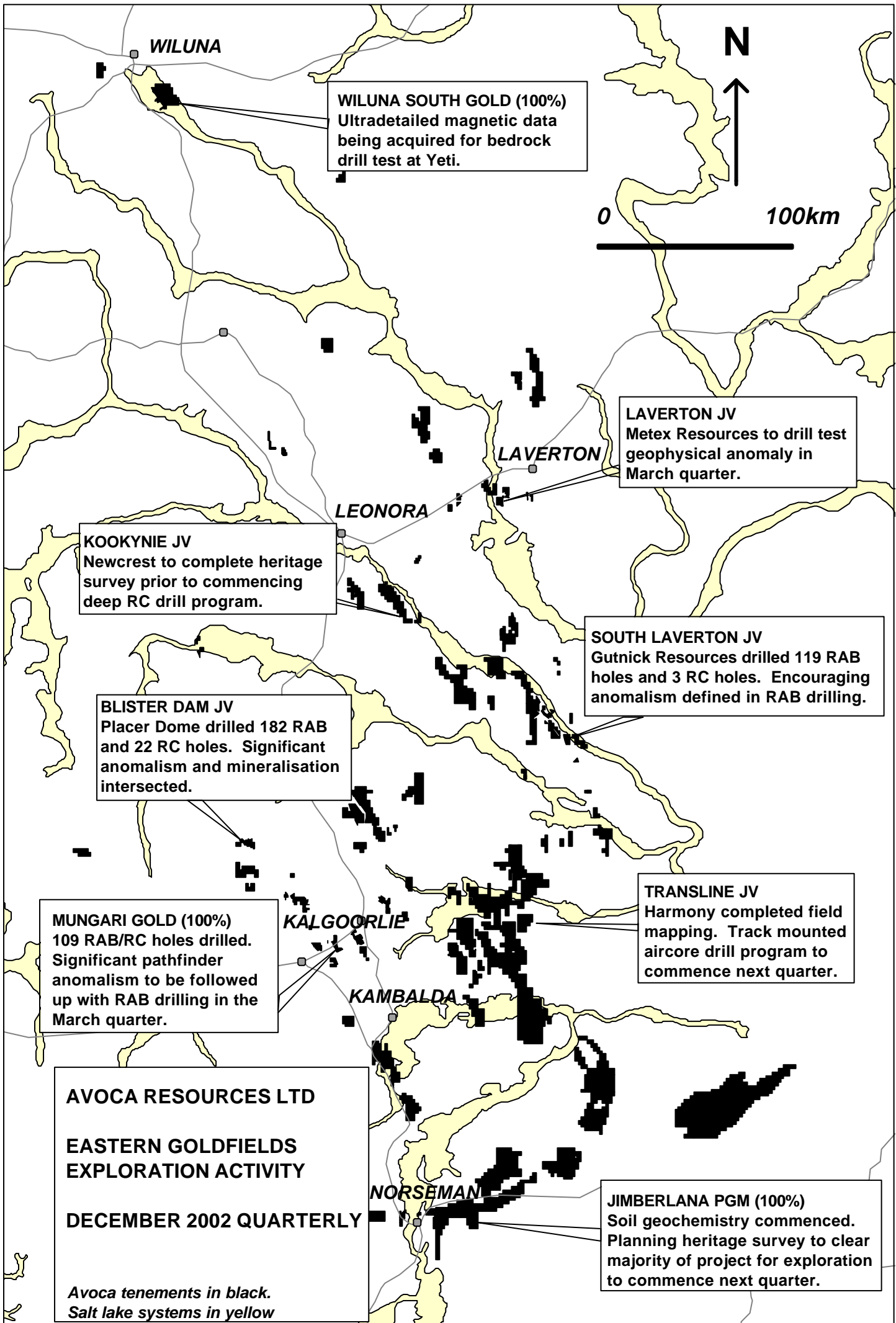
Following the interpretation of the ultra-detailed magnetic data, Avoca will commence a bedrock drill program targeting high grade mineralisation.

1.3 Jimberlana PGM-Cu-Ni Project

RECONNAISSANCE GEOCHEMICAL SURVEYS HAVE COMMENCED ON THE JIMBERLANA DYKE. AVOCA IS ALSO FINALISING THE PLANNING OF A HERITAGE CLEARANCE SURVEY THAT ONCE COMPLETED, WILL PROVIDE THE COMPANY WITH THE OPPORTUNITY TO SYSTEMATICALLY EXPLORE THE DYKE FOR PLATINUM GROUP METALS (PGM). THE EXPLORATION CAMPAIGN IS SCHEDULED TO COMMENCE NEXT QUARTER.

Avoca completed a reconnaissance geochemical survey over parts of its Jimberlana dyke PGM tenure. One hundred and nine samples were collected on a 1000m x 100m grid over tenement E63/631. Anomalous zones to 21 ppb Pd were identified and will be further evaluated during the coming quarter.

Planning of a heritage survey covering several of the recently granted exploration licences continued during the period. Following heritage clearance in the March quarter, Avoca will commence a geochemical survey that will for the first time provide a systematic assessment for PGM mineralisation of the Jimberlana dyke.



WILUNA

WILUNA SOUTH GOLD (100%)
 Ultradetailed magnetic data
 being acquired for bedrock
 drill test at Yeti.

N

0 100km

LAVERTON JV
 Metex Resources to drill test
 geophysical anomaly in
 March quarter.

LAVERTON

LEONORA

KOOKYNE JV
 Newcrest to complete heritage
 survey prior to commencing
 deep RC drill program.

SOUTH LAVERTON JV
 Gutnick Resources drilled 119 RAB
 holes and 3 RC holes. Encouraging
 anomalism defined in RAB drilling.

BLISTER DAM JV
 Placer Dome drilled 182 RAB
 and 22 RC holes. Significant
 anomalism and mineralisation
 intersected.

MUNGARI GOLD (100%)
 109 RAB/RC holes drilled.
 Significant pathfinder
 anomalism to be followed
 up with RAB drilling in the
 March quarter.

KALGOORLIE

TRANSLINE JV
 Harmony completed field
 mapping. Track mounted
 aircore drill program to
 commence next quarter.

KAMBALDA

AVOCA RESOURCES LTD

**EASTERN GOLDFIELDS
 EXPLORATION ACTIVITY**

DECEMBER 2002 QUARTERLY

Avoca tenements in black.
Salt lake systems in yellow

NORSEMAN

JIMBERLANA PGM (100%)
 Soil geochemistry commenced.
 Planning heritage survey to clear
 majority of project for exploration
 to commence next quarter.

2. SA Exploration Projects (100% AVO)

AVOCA HAS IDENTIFIED A SIGNIFICANTLY UNDEREXPLORED HISTORIC COPPER-GOLD DISTRICT ON THE YORKE PENINSULA. SAMPLES COLLECTED FROM THE YORKE VALLEY MINE WHICH OPERATED IN THE LATE 1800S RETURNED VALUES IN EXCESS OF 10 g/t GOLD AND UP TO 6.5% COPPER. IN ADDITION THREE LARGE SURFACE CU-AU-REE-U ANOMALIES HAVE BEEN IDENTIFIED IN THE NORTHERN PART OF THE PROJECT AREA. THE ANOMALIES ARE DERIVED FROM THE EXTENSIVE 12,000KM² SURFACE GEOCHEMICAL SURVEY COMPLETED LAST QUARTER.

Avoca holds 16,604km² of Australia's richest copper belt, the Olympic Copper Gold Province, located on the eastern margin of South Australia's Gawler Craton. The province hosts the Olympic Dam, Mt Gunson and the Moonta copper-gold mines as well as Minotaur Resources Limited's Prominent Hill copper-gold discovery. Avoca's target is for iron-oxide copper-gold ore deposits.

During the quarter, Avoca identified new targets within its Moonta Project including the identification of an outcropping historic copper-gold mine site that has not seen any modern exploration. A review of archived records also indicates the east coast of the Yorke Peninsula has numerous copper-gold historic mines and showings – all significantly under explored. Results have been received from the extensive partial leach geochemical survey completed over much of Avoca's tenure. Three coincident copper-gold surface anomalies have been identified, each showing no evidence of previous drilling.

2.1 Moonta Project

Sampling of surface rock piles associated with an historic mine site located within Avoca tenement 2925, near Maitland in central Yorke Peninsula has returned significant values of up to **10.5 g/t gold** and up to **6.5% copper**. An archival search by Avoca has shown the mine site as being the historic Yorke Valley mine. The mine operated intermittently during the late 19th and early 20th centuries. A total of three shafts were sunk over a distance measuring 100m, and level development established at depths of 30 feet, 70 feet and 141 feet. No comprehensive production records exist, however small parcels of ore yielding grades up to 20% copper are noted. No record of any modern exploration exists over the Yorke Valley mine and therefore provides Avoca with an opportunity to assess the depth and strike potential of an historic copper-gold mine.

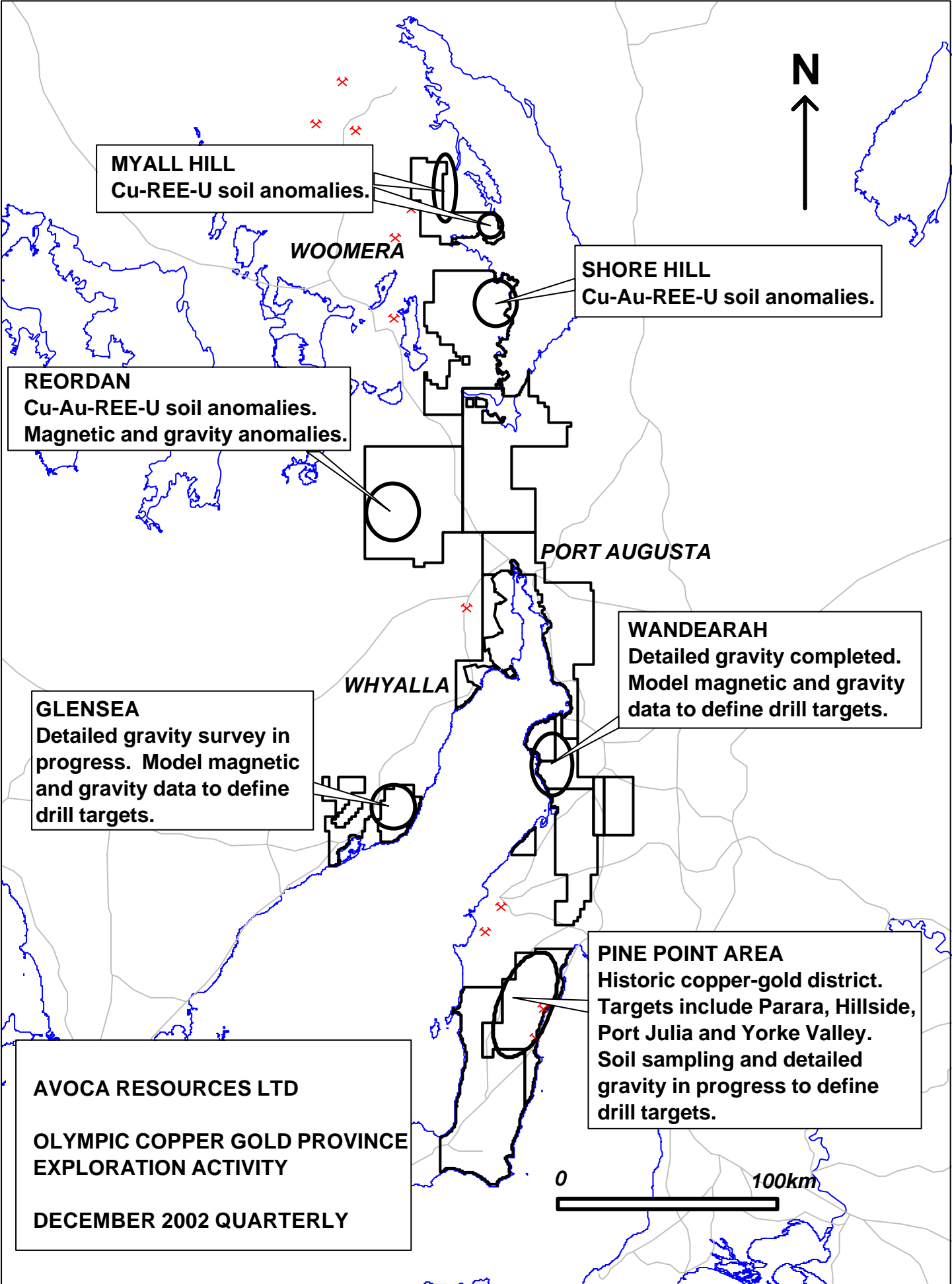
Avoca will undertake an electrical geophysical survey in the March quarter aimed at identifying the location of sulphides prior to commencing a bedrock drill program.

Additional archival research has revealed the east coast of the Yorke Peninsula in the vicinity of Pine Point area hosts several historic copper-gold showings dating back to the 1880s. The historic showings are commonly prospected with shaft development and lode description includes copper carbonates, chalcocite, bornite and haematite. The presence of haematite with copper sulphides and carbonates is of particular interest as it signifies an iron oxide component to the copper-gold mineralisation. No modern exploration has been completed over the historic showings.

The occurrence of numerous historic copper-gold mines and showings on the east coast of the Yorke Peninsula, as well as the identification of the historic Yorke Valley copper-gold mine inland of this area highlights the region as one for considerable potential for copper-gold mineralisation. The identification of haematite as a key alteration mineral in some of the copper showings is consistent with the large positive gravity anomaly that underlies the region and lends support to the region as highly prospective for iron oxide copper-gold deposits. The lack of modern exploration in this area provides Avoca with an excellent opportunity for copper-gold discovery.

The Port Julia target, located in the same region as the abovementioned historical mines and showings is a target that bears similarities with the geophysical signature of Minotaur Resources Prominent Hill copper-gold discovery. The Port Julia target is defined by an offset magnetic and gravity anomaly. One drillhole has been drilled into the target and was collared in the magnetic anomaly where it intersected copper and gold anomalism in haematite breccias. The adjacent gravity anomaly has not been drill tested and represents the preferred target in the geophysically anomalous complex. Avoca will conduct a gravity survey in the March quarter to infill the existing gravity data so as to allow better definition of the body giving rise to the gravity anomaly prior to drilling.

The collection of detailed gravity data over the Company's Wandearah target near Port Pirie was completed during the quarter. The Wandearah target is a major magnetic anomaly that was partially tested in the 1980s with drilling that intersected haematite breccias and recorded assays up to 7m @ 0.85% copper. Importantly for



MYALL HILL
Cu-REE-U soil anomalies.

WOOMERA

SHORE HILL
Cu-Au-REE-U soil anomalies.

REORDAN
Cu-Au-REE-U soil anomalies.
Magnetic and gravity anomalies.

PORT AUGUSTA

WANDEARAH
Detailed gravity completed.
Model magnetic and gravity
data to define drill targets.

GLENSEA
Detailed gravity survey in
progress. Model magnetic
and gravity data to define
drill targets.

WHYALLA

PINE POINT AREA
Historic copper-gold district.
Targets include Parara, Hillside,
Port Julia and Yorke Valley.
Soil sampling and detailed
gravity in progress to define
drill targets.

AVOCA RESOURCES LTD
OLYMPIC COPPER GOLD PROVINCE
EXPLORATION ACTIVITY
DECEMBER 2002 QUARTERLY



Avoca, the Wandearah target has not been the subject of a detailed gravity survey which in today's more modern exploration is widely recognised as the key tool to identify drill targets. Activities for the March quarter include the 3D modelling of the detailed 400m x 400m gravity survey and acquiring regulatory approval to allow diamond drill testing to commence in April.

2.2 Torrens Project

Results of the extensive partial leach geochemical survey completed over 12,000km² of Avoca's tenure were received during the quarter.

Three areas of coincident copper-gold-rare earth elements-uranium surface anomalism have been identified at Reordan, located north-west of Port Augusta, Myall Hill, located east of WMC Limited's Oak Dam prospect and Shore Hill, located north-east of Pernatty. All three newly defined anomalous areas lie close to the eastern boundary of the Olympic Copper Gold Province and occur in an area of no drill testing.

Target mineralisation associated with the surface geochemical anomalies is basement-hosted Olympic Dam style iron oxide copper-gold, and sediment-hosted copper-gold that lies above the basement units.

Avoca's exploration strategy is focussed primarily on shallow basement style targets. Where target areas are associated with thicker cover, Avoca will review and prioritise each opportunity, and if required may elect to farm-out the area of interest. Avoca will complete a detailed geological, geochemical and geophysical review of all anomalous areas during the March quarter.

2.3 Cowell Project

Avoca secured landowner consent to access the freehold title required to complete a detailed gravity survey over its priority Glensea target during the quarter. Gravity surveying had commenced by quarter-end. Once the gravity survey is complete, geophysical modelling of the gravity data and the strong magnetic anomaly associated with the target will be conducted, leading to the generation of drilling targets.

3. WA Joint Venture Projects

PLACER DOME HAS IDENTIFIED SIGNIFICANT NEAR SURFACE AND BEDROCK MINERALISATION FROM A COMBINED RAB/RC DRILL CAMPAIGN COMPLETED AT THE BLISTER DAM JV DURING THE QUARTER. TARGET MINERALISATION IS NARROW VEIN HIGH GRADE QUARTZ VEINS. GUTNICK RESOURCES HAS ALSO DEFINED ENCOURAGING NEAR SURFACE ANOMALISM FROM A RECONNAISSANCE RAB PROGRAM THAT DRILLED 119 HOLES FOR IN EXCESS OF 5,700M. IN ADDITION, DRILL PROGRAMS FROM HARMONY, NEWCREST AND METEX ARE PLANNED FOR THE MARCH QUARTER.

The portfolio of Avoca's JVs is tabled below:

JV Partner	Project	Earn-in
Gold Fields	Avoca	earning 80%
Gold Fields	Karonie South	earned 80%
Placer Dome	Blister Dam	earning 70%
Harmony	Transline	earning 80%
Placer Dome	Roe South	earning 80%
Newcrest	Kookynie	earning 75%
Metex	Mt Morgans	earned 70%
Metex	Laverton	earning 70%
Vulcan	Edjudina and Laverton	earning 80%
Gutnick	South Laverton	earning 80%

3.1 Placer Dome Blister Dam Joint Venture

Placer Dome earning 70% through spending \$1.2M

Placer Dome has completed a 182 hole RAB and 22 hole RC drill program over defined targets within the Blister Dan JV. Significant results are included in the table below:

Hole	Intersection	Interval
PDRC006	2m @ 7.31 g/t gold	103 – 105m
RORC004	3m @ 4.98 g/t gold	116 – 118m
HBRC004	3m @ 3.62 g/t gold	59 – 62m
PDRC007	2m @ 2.64 g/t gold	96 – 98m
RORC002	1m @ 3.55 g/t gold	41 – 42m
PDRB109	4m @ 1.67 g/t gold	28 – 32m
PDRB062	4m @ 1.34 g/t gold	32 – 36m
PDRB030	1m @ 2.80 g/t gold	1 – 2m
PDRB046	1m @ 2.76 g/t gold	32 – 33m
PDRB102	32m @ 0.27 g/t gold	32 – 64m

3.2 Harmony Gold Transline Joint Venture

Harmony earning 80% through spending \$0.9M

Harmony field checked several soil anomalies during the quarter in addition to completing mapping activities. A track-mounted aircore drill rig

will commence testing a high priority target on Lake Yindarlgooda during the March quarter.

3.3 Newcrest Mining Kookynie Joint Venture

Newcrest earning 75% through spending \$0.8M

Newcrest are awaiting a heritage clearance survey before embarking on a 2 hole 400m deep RC drill program to test a deep and stratigraphically discordant magnetic anomaly.

Field mapping completed during the quarter confirmed no surface features are able to explain the highly magnetic anomaly. Subject to completion of the heritage survey, the two 400m deep RC holes will be drilled in the March quarter.

3.4 Gutnick Resources South Laverton Tectonic Zone Joint Venture

Gutnick earning 80% through spending \$1.2M

Gutnick Resources completed a 119 hole RAB drill program for 5,752m during the quarter. Drilling was completed over 6 target areas with better results tabled below:

Hole	Intersection	Interval
YUNB200	16m @ 1.1 g/t gold	52m to 68m
YUNB219	12m @ 0.71 g/t gold	32m to 44m
YUNB134	8m @ 0.79 g/t gold	12m to 20m

The strongly anomalous YUNB200 was followed up with a three hole RC program. Drilling intersected a 12m wide zone of quartz veining with adjacent carbonate-pyrite-white mica alteration. Assays are pending.

Several of the anomalous RAB drill holes show evidence of strong alteration suggesting that a significant mineralising system may exist.

3.5 Gold Fields Karonie South Joint Venture

Gold Fields earned 80% after spending \$0.3M

During the December quarter Gold Fields completed a qualitative geochemical interpretation of all historical surveys, allowing it to effectively prioritise all targets. An additional geochemical survey is planned to be undertaken on tenement E63/691 during the upcoming quarter.

3.6 Metex Resources Laverton Joint Venture

Metex earning 70% through spending \$0.5M

Metex Resources is planning to commence a 9 hole 100m spaced aircore drill program over a pronounced gravity low that appears associated with significant gold-in-drillhole anomalism in a competitor's tenement immediately south of the proposed drill traverse. Drilling will be conducted during the March quarter.

Corporate

Subsequent to the close of the December quarter, OMG Cawse Pty Ltd, the Company's third largest shareholder sold its shareholding on market. OMG is a metal based specialist chemicals company that has recently undergone an internal rationalisation, resulting in the decision to sell its Avoca holding. Two of the Company's Directors: Mr Robert Reynolds, Chairman, and Mr Rohan Williams, Managing Director, increased their respective holdings and are now both Top 20 shareholders. Mr Reynolds' shareholding has increased to 1.08 million ordinary shares, while Mr Williams' shareholding has increased to 415,000 ordinary shares.

At quarter end the top 5 shareholders were:

Shareholder	% of Issued Capital
Gold Fields Australasia Pty Ltd	13.14
Kurana Pty Ltd	10.31
Redsummer Pty Ltd	5.48
HSBC Custody Nominees (Australia) Ltd	2.63
Commonwealth Custodial Nominees Ltd	1.45

Finance

At 31 December 2002, the Company had cash reserves of \$4.0 million and is debt free.

Appendix 5B – Mining Exploration Entity Quarterly Report is attached.

For and on behalf of the Board,



Rohan Williams
Managing Director

Information in this report relating to geological data has been compiled or reviewed by Mr Rohan Williams, a Member of the AusIMM, who has more than 5 years experience in the field of activity being reported.