

Quarterly Report

For the three months ending 30 June 2002.

Quarter Highlights

- Avoca Resources Limited (AVO) listed on the ASX on 15 April 2002 following a successful raising of \$7 million.
- Avoca identifies a new 700m long gold anomaly at Wiluna South in the Company's first drill campaign. Best intersection is 6m @ 2.06 g/t Au. In total 145 holes drilled for 7,140m.
- Mungari project acquisition increases length of under-explored Zuleika Shear south of Frog's Leg to 6km strike. Geochemical surveys and drilling to commence early next quarter.
- Rock-chips of 19.4 g/t Au collected within a 2,500m long soil gold anomaly defined at Euro. Anomaly lies on northern extension of highly endowed Granny Smith mine structure.
- Avoca to commence significant exploration campaign on Stuart Shelf Project in South Australia. 4507 gravity stations and 2205 soil samples over 14 targets to commence next quarter.
- Re-logging of 1950s diamond drill hole at Balgowan target near Moonta confirms presence of iron-oxide copper-gold mineralising event.
- Extensive area of near surface copper anomalism associated with historic Parara and Hillside copper-gold mines identified on the east coast of the Yorke Peninsula.
- High levels of exploration activity continue on Avoca's joint venture properties. Best drill results are 4m @ 2.71 g/t Au from Gutnick Resources' and 2m @ 2.6 g/t Au from Harmony Gold Mining Company's joint ventures. Soil anomalies for follow-up RAB drilling defined on Placer Dome, AurionGold, Gold Fields and Harmony joint ventures.

Exploration Operations

Avoca is a dominant leaseholder in two of Australia's pre-eminent metallogenic provinces: The Eastern Goldfields of Western Australia where it holds in excess of 6300km² of tenure, and the Stuart Shelf in South Australia where the Company controls a 16,400km² lease holding.

Within the Company's extensive land holdings, projects are divided into three broad categories:

1. WA Exploration Projects (100% AVO)

Avoca has three key 100% owned projects located within the Eastern Goldfields of WA. The Mungari and Wiluna South projects target high-value gold mineralisation and the Jimberlana project targets platinum group metal (PGM)-Cu-Ni mineralisation. Both the Wiluna South and Mungari project areas have no previously recorded drilling and therefore define greenfield opportunities for Avoca.

Key tenements at both the Mungari and Wiluna South projects were granted during the quarter allowing:

- (i) a regionally extensive reconnaissance drill program to be completed on Lake Way at Wiluna South, and
- (ii) planning of an anthropological survey at Mungari prior to geochemistry and drilling.

Reconnaissance exploration also commenced on the Euro and Mt Zephyr projects.

1.1 Wiluna South Gold Project

AVOCA HAS DEFINED A NEW 700M LONG GOLD POSITION WITH ITS FIRST DRILL CAMPAIGN CONDUCTED ON LAKE WAY, SOUTH OF WILUNA.

Avoca's Wiluna South Gold Project is situated on Lake Way, lying 15km SSE and along strike of the 5Moz Wiluna Gold Camp. The project area, which has not been previously explored for gold, is located directly east of Newmont's emerging Williamson's project, also on Lake Way.

Following grant of Avoca's key Wiluna South tenement, E53/1010, 145 reconnaissance aircore drill holes for 7,140m were completed over 9 broad spaced drill lines covering an area of approximately 50km² over Lake Way.

Results returned to date define a newly identified gold anomalous zone measuring 700m long. Significant results returned are included in the table below:

Hole ID	Interval	Assay
WILA 103	82 – 98m	16m @ 0.89 g/t Au including 6m @ 2.06 g/t Au
WILA 073	26-28m	2m @ 0.78 g/t Au
WILA 101	26-30m	2m @ 0.41 g/t Au
WILA 080	58-60m	2m @ 0.23 g/t Au
WILA 089	46-50m	4m @ 0.67 g/t Au
WILA 090	56-60m	4m @ 0.29 g/t Au
WILA 082	70-72m	4m @ 0.17 g/t Au

The anomalism and mineralisation defined includes quartz-carbonate-sulphide altered lithologies interpreted to represent the southern continuation of the Wiluna Mine Sequence. Significantly, the 6m intercept grading 2.06 g/t Au was logged as a 6m wide quartz vein (down-hole) lying at the contact of sheared basalt and sediment units.

Drilling targeted structural features evident in aeromagnetic data including north-south structures interpreted to belong to the same family of structures that host the Wiluna gold camp. Given the generally broad nature of the drilling completed,

areas for follow-up are defined by regions where low level anomalism is intersected.

A combination of follow up aircore drilling to better define the anomaly and detailed ground-based magnetics, both scheduled to commence early next quarter, will enable target delineation for bedrock drilling.

1.2 Mungari Gold Project

ACQUISITIONS AND TENEMENT GRANT PROVIDE AVOCA WITH A 6KM SEGMENT OF THE HIGHLY ENDOWED ZULEIKA SHEAR SOUTH OF FROG'S LEG. GEOCHEMISTRY AND DRILLING PLANNED FOR NEXT QUARTER.

Avoca's Mungari Gold Project lies 15km west of Kalgoorlie and 10km SSE of the recent 780,000oz Frog's Leg discovery situated within the 6Moz Kundana gold camp. The Mungari gold project, like the Wiluna South Gold Project, comprises a significant area of hitherto undrilled prospective mine sequence lithologies.

Avoca's key tenement covering a 4km segment of the ore-controlling Zuleika Shear, E15/726, was granted during the quarter. Completion of an anthropological survey is anticipated early next quarter prior to the commencement of geochemistry and drilling activities. A combination of gold and arsenic anomalism trending toward Avoca tenure, and highly anomalous rock chips collected earlier in the year, confirm the tenement's prospectivity for gold mineralisation.

Avoca has agreed in principle with Croesus Mining NL, to purchase three prospecting licences that abut the southern boundary of E15/726. The length of Avoca-controlled Zuleika shear and adjacent stratigraphy increases to 6km with the acquisition of the Croesus licences.

1.3 Jimberlana PGM-Cu-Ni Project

SIX TENEMENTS GRANTED DURING THE QUARTER.

Six prospecting licences belonging to the Jimberlana Platinum Group Metal (PGM)-Cu-Ni Project were granted during the quarter. The licences were P63/1139 to P63/1142 inclusive and P63/1160 and P63/1161. Following the grant of the remaining tenements, an anthropological survey will be completed prior to the commencement of an extensive reconnaissance geochemical program. The proposed geochemical program will represent the first time the Jimberlana

dyke has been the subject of a systematic assessment for PGM-Cu-Ni prospectivity.

It is anticipated the remaining pending tenements will be granted during the next quarter.

1.4 Eastern Goldfields Reconnaissance

19.4 g/t Au rock chips within 2,500m long gold soil anomaly on northern extension of Granny Smith structure at Euro project.

In addition to the work completed on the key Wiluna South and Mungari Gold Projects, Avoca also commenced reconnaissance exploration on the Euro and Mt Zephyr gold projects.

The Euro project lies 8km south of Laverton and straddles the interpreted northern continuation of the mineralised structure that hosts the Granny Smith deposits located 10km south. Previous drilling on the Euro project is limited yet defines a 700m long gold-in-bedrock anomaly.

Avoca has defined a 2500m long coincident gold and copper soil anomaly following a lease-wide 500m x 50m geochemical survey. Rock chip sampling within the soil anomaly returned values of 19.4 g/t Au from lateritic material. Additional sampling of quartz veins located 200m along strike of the mineralised laterite returned grades of 1.29g/t Au and 1.31 g/t Au. Infilling the soil geochemical anomaly and RAB drilling is planned for the next quarter.

A low level gold-arsenic-copper anomaly was defined over a distance of 1.7km at the Mt Zephyr gold project, located 65km WNW of Laverton. Avoca completed a 274 sample 500m x 100m auger geochemistry program over E39/738 along the trace of the Ninnis Fault. Infill soil geochemistry is planned for the following quarter.

2. SA Exploration Projects (100% AVO)

AVOCA IS ONE OF THE DOMINANT TENEMENT HOLDERS OF THE HIGHLY ENDOWED OLYMPIC COPPER GOLD PROVINCE. 14 TARGET AREAS REQUIRING DETAILED GEOPHYSICAL AND GEOCHEMICAL SURVEYING HAVE BEEN IDENTIFIED. ELEVEN HISTORIC DRILL HOLES WERE RE-SAMPLED DURING THE QUARTER CONFIRMING THE PRESENCE OF IRON OXIDE COPPER GOLD MINERALISATION OVER SEVERAL OF AVOCA'S TARGETS. ADJACENT TO THE HISTORIC PARARA AND HILLSIDE MINES ON THE EAST COAST OF THE YORKE PENINSULA, AN EXTENSIVE REGION OF COPPER ANOMALISM HAS BEEN IDENTIFIED.

Avoca is one of the dominant lease holders in the Olympic Copper Gold Province located on the eastern margin of South Australia's Gawler Craton. The Olympic Copper Gold Province is host to the Olympic Dam, Mt Gunson and the Moonta copper-gold mines as well as Minotaur Resources Limited's recent Prominent Hill copper-gold discovery. Avoca holds 16,604km² of this highly endowed province covering a semi-contiguous region spanning from near Olympic Dam in the north to south of Moonta on the Yorke Peninsula. The area is divided into three projects areas: Moonta, Torrens and Cowell.

Avoca has 10 of its 13 tenements granted and is presently awaiting approval to access the exploration licences to commence exploration on 14 iron oxide copper gold deposit (IOCAD) target areas defined across the project. Target areas are based on identification of regional scale coincident magnetic and gravity geophysical anomalies. Following approval to access target areas, Avoca will commence collecting 4507 gravity stations, 1359 calcrete soil samples and 846 partial leach soil samples. It is anticipated exploration activities will commence early in the next quarter. Diamond drilling will be completed on the higher ranking coincident geophysical and geochemical targets defined by the surveys described above.

During the quarter, Avoca completed a detailed review of historical exploration over the Moonta project area including the re-logging and sampling of previously un-sampled diamond drill holes. Eleven diamond drill holes were inspected from 5 target areas and selected intervals assayed.

Avoca's Balgowan target located on the western coast of the Yorke Peninsula, was drilled with a single diamond drill hole by the South Australian Mines Department during the 1950s. The magnetic anomaly drilled intersected a chalcopyrite-bearing magnetite – biotite hydrothermally altered Hiltaba Suite granite. Avoca's re-sampling of the drill hole defined low level copper mineralisation (to 650ppm Cu, 130m down hole) within a broad 116m interval of elevated rare earth elements (REEs), including 49m assaying 504 ppm REEs (cerium and lanthanum). The combination of copper sulphides and elevated REEs within a magnetite – biotite altered Hiltaba Suite granite confirms an IOCAD alteration system. No modern exploration has been conducted for IOCADs over the Balgowan target area. Detailed ground geophysics and geochemistry to commence in the next quarter will optimise target location for diamond drilling.

Other historical diamond drill holes from within Avoca's Moonta Project target areas were re-logged and re-sampled during the quarter. Intervals re-sampled include haematite breccias on the Wandearah target and sulphide – magnetite altered lithologies adjacent to and within the Curramulka target. Assay results are awaited.

A review of historical exploration data around the Ardrossan area on the east coast of the Yorke Peninsula shows the area to represent considerable prospectivity for IOCADs. The area is host to the historic Parara and Hillside copper-gold mines located approximately 10km north and south of Ardrossan respectively. Both mines produced high grade copper-gold ore during the late 1800s, yet the region has not been the subject of systematic modern exploration. The Parara Mine, which commenced production from two shafts in 1874, has no accurate production records however one recorded ore parcel returned values of 31% copper and 10.7 g/t gold. Workings are known to have reached depths of 50m, however the only modern exploration was conducted in the early 1980s when an explorer drilled just three holes in the mine surrounds to a maximum depth of 94m. No further work was completed. Limited information exists on the Hillside mine, however it is considered to represent a high grade copper-gold skarn mineralisation style.

Shallow drilling completed in 1980 between the Hillside and Parara mines defined a large area of anomalous copper results, with numerous values exceeding 100ppm Cu. Five kilometres north of the Parara mine, isolated drilling intersected anomalous copper values up to 7m @ 0.19% Cu. No explorer has followed up these anomalies. Clearly the eastern coast of the Yorke Peninsula around the Ardrossan area exhibits high prospectivity for IOCAD style mineralisation.

Commencing next quarter Avoca will undertake detailed gravity and geochemistry surveys in order to define drill targets.

3. WA Joint Venture Projects

AVOCA'S JOINT VENTURE PARTNERS MAINTAIN HIGH LEVELS OF EXPLORATION ACTIVITY WITH HIGHLY ANOMALOUS RESULTS FROM DRILLING ON GUTNICK RESOURCES' AND HARMONY'S JOINT VENTURES PROJECTS, AND NUMEROUS SOIL ANOMALIES GENERATED ON PLACER DOME'S, AURIONGOLD'S AND GOLD FIELDS' PROJECTS.

Avoca has a significant portfolio of joint ventures with many of the world's largest gold producers

(see table below). In the majority of Avoca's joint ventures, the party farming-in to Avoca's projects is required to free-carry Avoca's interest to a bankable feasibility study. In total approximately \$7.2 million is being spent by Avoca's joint venture partners to allow them to earn equity in Avoca's projects.

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

During the quarter AngloGold advised Avoca of its intention to withdraw from the Binduli East Joint Venture. Also, AurionGold advised Avoca of its intention to withdraw from the Scotia East Joint Venture. Both projects will be reviewed by Avoca during the coming quarter and a decision regarding their future made at that time.

3.1 Gold Fields Karonie South Joint Venture *Gold Fields earned 80% after spending \$0.3M*

Exploration activities focussed on a major compilation of pre-existing exploration data. Existing geochemistry was reinterpreted in light of a new surface geology / regolith map and new conceptual and empirical targets were generated for drill testing. Gold Fields have indicated that the Karonie JV is a priority area for follow up work in the next quarter.

3.2 Gold Fields Victory Joint Venture *Gold Fields earning 80% through spending \$0.15M*

Infill soil sampling utilising 100m x 40m north-south oriented lines defined a 700m long WNW oriented gold-in-soil anomaly. Forty aircore holes for 1278m were drilled on a 200m x 25m north-south oriented grid over the soil anomaly. Best results were:

Hole ID	Interval	Assay
VRAC 100	44-48m	4m @ 0.35 g/t Au
VRAC 101	54-56m	2m @ 0.67 g/t Au
VRAC 103	12-14m	2m @ 0.17 g/t Au
VRAC 110	42-44m	2m @ 0.83 g/t Au

3.3 Placer Dome Blister Dam Joint Venture

Placer Dome earning 70% through spending \$1.2M

Placer Dome has completed ultra-detailed aeromagnetics, detailed ground gravity surveys, 1:1,000 scale geological mapping and re-logging of all historic aircore, RC and diamond holes.

During the quarter a large scale auger geochemistry program was completed and four significant coherent anomalies have been defined measuring 1200m, 600m, 400m and 400m long. An infill auger program is planned for the next quarter.

3.4 Harmony Gold Transline Joint Venture

Harmony earning 80% through spending \$0.8M

Harmony collected 352 pedogenic carbonate samples on a 640 x 80m grid over E28/1003 during the quarter. Results define a 7km long semi-coherent anomaly. Infill auger geochemistry program is being planned for follow up.

Harmony drilled 5 RC drill holes into a previously defined coincident gold – arsenic geochemistry anomaly with supporting RAB intersections. Best result from the RC drilling is tabled below:

Hole ID	Interval	Assay
02TNRC002	76-78m	2m @ 2.6 g/t Au

3.5 AurionGold Roe South Joint Venture

AurionGold earning 80% through spending \$1.0M

AurionGold completed an ultra-detailed 50m line spaced aeromagnetic survey over much of the project area during the quarter.

1343 pedogenic carbonate samples were collected on a 400m x 100m grid over two granted tenements. One anomaly was identified containing a significant 6500ppb Au high. Subsequent infill to 200m x 50m spacing better defined the anomaly as being 600m long. Further work next quarter will involve RAB drilling of the surficial anomalies.

3.6 Newcrest Mining Kookynie Joint Venture

Newcrest earning 75% through spending \$0.8M

Newcrest completed a review of all historical surficial and drilling information along with completing a detailed aeromagnetic interpretation. Targets identified include several untested BLEG

anomalies and untested structural targets identified from magnetics.

3.7 Gutnick Resources South Laverton Tectonic Zone Joint Venture

Gutnick earning 80% through spending \$1.2M

During the quarter Gutnick Resources drilled 94 RAB holes for 2895m over the Yundamindera Flash and Gardiner's Find prospects – the latter re-named the Thunderbolt prospect. From the shallow RAB drilling two mineralised shear zones are evident, with the best results recorded as:

Hole ID	Interval	Assay
GKRYUNB63	8-12m	4m @ 2.71 g/t Au
GKRYUNB43	12-16m	4m @ 1.13 g/t Au

Mineralisation defined continues under cover and planning for RAB drilling of this target area has commenced.

No work was completed on the Barra Resources' Snake Hill JV and Metex Resources' Mt Morgan's and Laverton's joint ventures. Croesus Mining NL sold its interest in the Edjudina and Laverton joint ventures to Vulcan Resources.

3.8 New Joint Ventures

Discussions with third parties were initiated during the quarter regarding the joint venturing of non-key 100% Avoca projects. In addition, writing of information memorandums relating to the joint venturing of the following projects progressed:

- Fraser Range PGM – Cu – Ni project.
- Mt Zephyr gold project.
- Kanowna South gold project.

Corporate

The Company successfully listed on the ASX on 15 April 2002.

The underwritten offer of 30 million 20 cent shares to raise \$6 million was closed heavily over-subscribed, with an additional \$1 million raised in over-subscriptions through the issue of a further 5 million shares. Including the *in specie* distribution prior to the Prospectus, the total issued capital at listing was 57,081,745 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
OMG Cawse Pty Ltd	5.57
Redsummer Pty Ltd	5.03
HSBC Custody Nominees (Australia) Ltd	2.63

During the quarter the Company consolidated its Stuart Shelf holding through the acquisition of EL 2749, located near Port Pirie in South Australia.

The Company also agreed in principle to purchase three prospecting licences from Croesus Mining NL that lie contiguous with the southern boundaries of Avoca's key Mungari Gold Project tenements.

Mr Tommy McKeith, Regional Manager of Gold Fields Australasia Pty Ltd, joined the Board of Avoca.

Finance

At 30 June 2002, the Company had cash reserves of \$5.27 million and is debt free.

Major cash outflows during the quarter were IPO costs of \$536K and repayment of loan to Heron Resources of \$861K.

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.

