

Quarterly Report

For the three months ending 30 June 2004

June Quarter Highlights

- Avoca executed the Higginsville Project Agreement during the quarter, and paid to Gold Fields a cash deposit of \$0.25 million. Following completion of the conditions precedent relating principally to third party and Ministerial consent to the sale, Avoca will pay the balance of the consideration to Gold Fields. Following settlement Gold Fields' holding in Avoca will increase to 19.95%.
- Avoca has commenced a 1600m diamond drill program on the high grade Poseidon South Extended ("PSE") deposit. The drill program is designed to infill sections of the PSE resource aimed at generating an Indicated Resource that will in turn lead to the delineation of a mineable reserve. Avoca is working towards bringing the PSE deposit into production within 12 months.
- Avoca is to commence a 43 hole resource delineation drill program aimed at defining an Indicated Resource to a depth of 100m following the completion of 10 RC holes for 634m at its Moray Reef within its Mt Fisher Gold Project located 400km north of Kalgoorlie. Results of the drill program suggest high grade shoots (+50 gram.metres) within the reef plunge moderately steeply to the north. The best result from the 10 hole program completed during the quarter was 1m @ 63.9 g/t gold from 42m.
- TEM surveying completed over the Jimberlana Nickel – PGM Project identified a significant conductor located near the margin of the Jimberlana Dyke. The interpreted up-dip position of the conductor is coincident with an area of gossanous float that returned assay values of 0.11% nickel, 0.26% copper and in excess of 200 ppb PGM.
- Reinterpretation of TEM data collected by Avoca over the Glensea copper-gold target near Cowell in South Australia has identified a 600m long highly conductive body that lies at the intersection of two major faults located adjacent to the margin of a Hiltaba Suite granite.
- Avoca completed a 466m deep diamond drill hole into a strongly coincident geochemical – geophysical anomaly at its Southbank copper-gold prospect at Wandearah, located 15km south of Port Pirie in South Australia. Preliminary logging of the drill hole has identified sections of moderately developed pyrite with lesser chalcopyrite. Assay results are awaited.
- The Company has embarked on an aggressive project and tenement divestment initiative allowing it to focus on bringing the Higginsville and Mt Fisher Gold Projects into production in 2005.
- Following Shareholder approval, a placement was completed for 20,000,000 shares at 15 cents each to raise \$3 million to finance the acquisition and integral costs associated with the Higginsville Gold Project.

1. WA Projects (100% AVO)

1.1 Higginsville Gold Project

Project Background

The 178km² Higginsville Gold Project is located mid-way between the regional mining centres of Kambalda and Norseman in Western Australia's Eastern Goldfields.

Avoca announced last quarter that it had been selected as the successful bidder following an open tender process that concluded in early April 2004.

Inferred Resources at the Higginsville Project total 445,000 ounces, and includes the recent Poseidon South Extended ("PSE") discovery which comprises:

389,000t @ 7.59 g/t gold for 95,000 ounces,

(above a 5 g/t gold cut off grade). Importantly the PSE discovery remains open in all directions, and will be the focus of initial drilling by Avoca to convert the existing Inferred Resource to an Indicated Resource aimed at producing a reserve capable of being brought into production within 12 months.

The Higginsville acquisition will give the Company control of the highly endowed gold belt between the world-class St Ives (+15 million ounces) and Norseman (+5 million ounces) gold mining centres. This belt is one of the most prolific areas of open pit gold production in the Eastern Goldfields with over 600,000 ounces of gold produced from open pits and just 25,000 ounces of underground production. In spite of the substantial open pit production history, the average drill hole depth of the field is only 55m, and only 10% of all drill holes have been drilled to a depth greater than 100 metres. Several outstanding exploration targets exist within the project tenements with a key focus for Avoca being to locate the hard rock source to the 300,000 ounces of gold produced from deep leads (palaeochannels).

Execution of Agreement

During the quarter the Company executed the Sale of Mining Interests – Higginsville Project Agreement ("Agreement") with St Ives Gold Mining Company Pty Ltd ("Gold Fields") a wholly owned subsidiary of Gold Fields Limited. Pursuant to the terms of the Agreement, Avoca paid a \$0.25 million cash deposit to Gold Fields.

The remaining consideration comprising the payment of cash of \$2.25 million and the issue of up to 11,976,048 ordinary shares in the Company at a minimum deemed issue price of 16.7 cents per share to the value of \$2 million will be made upon settlement which is anticipated to occur once the remaining conditions precedent in accordance with the Agreement are met. These include Ministerial consent to the transfer of the tenements

pursuant to the Agreement and obtaining requisite third party approvals and consents under existing agreements between third parties and Gold Fields. It is anticipated that these conditions will be satisfied during the September quarter upon which settlement will effectively occur and the remaining consideration will be made. All other conditions precedent under the Agreement have been satisfied.

Diamond Drilling Commenced

During the quarter, Gold Fields granted Avoca access to the Higginsville Project so as to allow it to commence a diamond drilling program. Avoca's first drill program is a 1600m program designed to infill sections of the high grade 95,000 ounce Inferred Resource at PSE to Indicated Resource status, and to test for the extensions outside the current resource boundaries.

Detailed review of the Higginsville Project exploration data continued during the quarter resulting in further identification of shallow bedrock drill targets.

1.2 Mt Fisher Gold Project

Avoca's Mt Fisher Gold Project is located 420km north of Kalgoorlie and 70km south-east of the world-class Jundee Gold Mine. Avoca's project holding totals 370km².

During the quarter Avoca drilled 10 RC holes for 634m on its newly named Moray Reef, located approximately 1.5km south of the historic Mt Fisher gold mine.

Better results (see table below) suggest that high grade shoots (+ 50 gram.metres) within the reef plunge to the north at a moderately steep angle, as depicted in Figure 1. Avoca will commence a **resource delineation program** at Moray in the September quarter. Forty three drill holes are planned to generate an Indicated Resource of the reef to a depth of 100m vertically (see also Figure 1).

To date 21 RC holes have been completed, with 12 of the holes showing visible gold identified from panning drill cuttings of the reef intercept.

Importantly the reef, which has a 350m strike remains open at depth and along strike.

Hole ID.	Dip/ Azimuth	Intersection (g/t Au)	Interval
MTFC020	-60/270	1m @ 63.9*	42-43m
MTFC012	-60/90	2m @ 3.3 *	20-22m
MTFC016	-60/90	1m @ 2.6*	15-16m

* Denotes that visible gold observed when panning reef intercept.

Table 1: Significant drill results from the Moray Reef drilled during the June quarter.

1.3 Jimberlana Nickel – PGM Project

Avoca completed 5 lines of ground-based transient electromagnetic (“TEM”) surveys over three target areas of the Jimberlana Nickel-PGM Project during the quarter. One of the target areas showed an excellent late-time response **consistent with the presence of massive sulphides**. The up-dip expression of the interpreted conductor is associated with gossanous float found near the contact of the Jimberlana Dyke where assays returned values of 0.11% Ni, 0.26% Cu and in excess of 200 ppb Pd+Pt+Au. Figure 2 below shows the TEM profiles associated with the conductor.

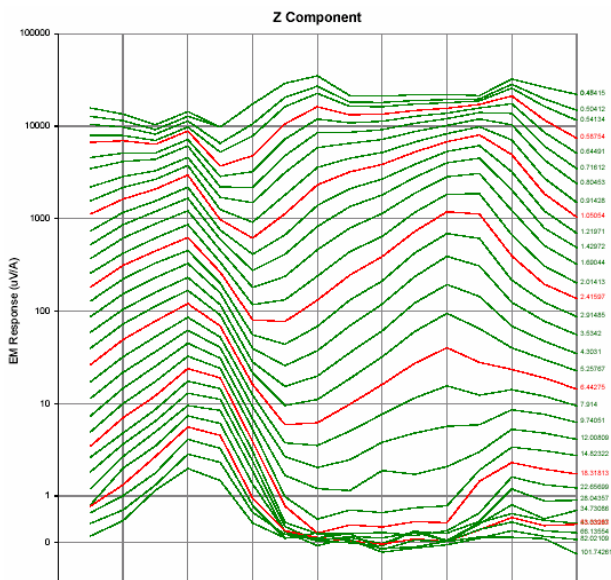


Figure 2: TEM profile over target on the Jimberlana Project associated with a nickel –copper-PGM gossan.

Infill TEM surveying is required to define limits of the conductor prior to drill testing.

1.4 Regional

Results of the 260 sample auger soil program completed over potentially gold bearing structures 2km to the east of Croesus Mining NL’s Daisy gold deposit near Norseman were returned during the quarter. A 2km long north-north-east oriented anomaly defined by +5 ppb gold threshold was identified, with a peak value of 42 ppb gold. The anomaly overlies transported sediments associated with the margin of a salt lake. Further infill geochemical sampling is required to identify drill targets.

2. SA Projects (100% Avoca)

2.1 Cowell Project

A re-evaluation of the results received from a 90 line.km TEM survey collected over the main magnetic anomaly at the Glensea copper-gold prospect has identified a **600m long north-south oriented highly conductive body** lying at the intersection of two major faults. Figure 3 below shows the location of the conductor in relation to the two previously drilled diamond holes, each intersecting high grade copper-gold massive sulphide veins. The TEM anomaly is also located adjacent to the margin of a Hiltaba Suite granite.

The newly identified 600m long conductor exhibits a dip extent of 300m and an interpreted conductance of 1000S. It remains open to the south and requires infill TEM surveying prior to undertaking a bedrock drill test.

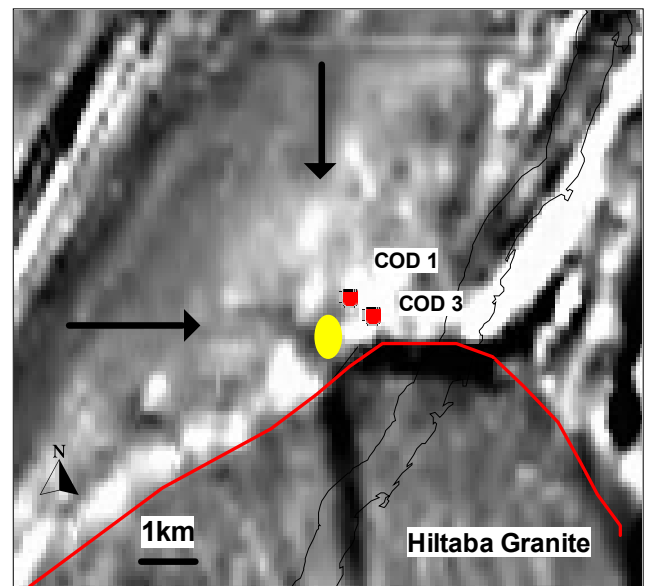


Figure 3: Location of late-time conductor (yellow circle) at intersection of major faults (arrowed) at the Company’s Cowell Project in South Australia. Note also the location of the Avoca diamond drill holes (COD 1 and COD 3) that intersected high grade copper-gold massive sulphide veins. Background image is aeromagnetics.

2.2 Moonta Project

During the quarter Avoca completed a 466m deep diamond drill hole into the Southbank copper-gold target, located within the Wandearah project, 15km south of Port Pirie. The drill hole was sited on a strongly coincidental geochemical – geophysical anomaly. The geochemical anomaly contained copper and cerium (a rare earth element) levels that were in excess of 50 times the background levels (see Figure 4 below).

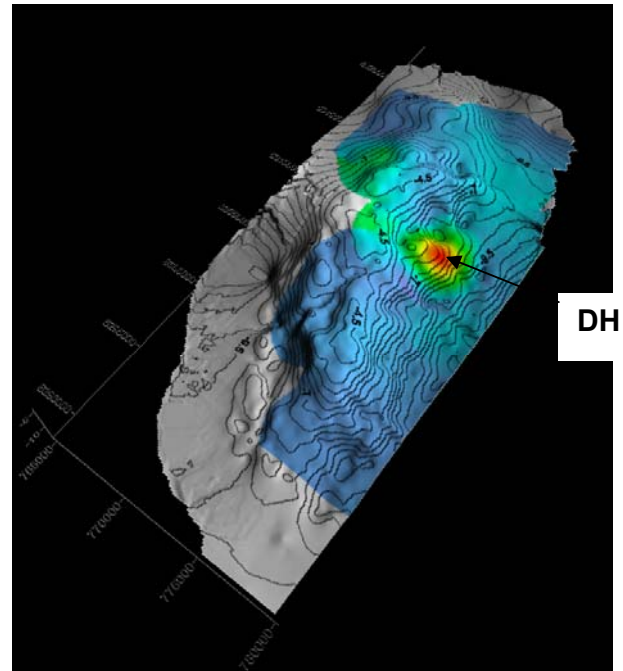
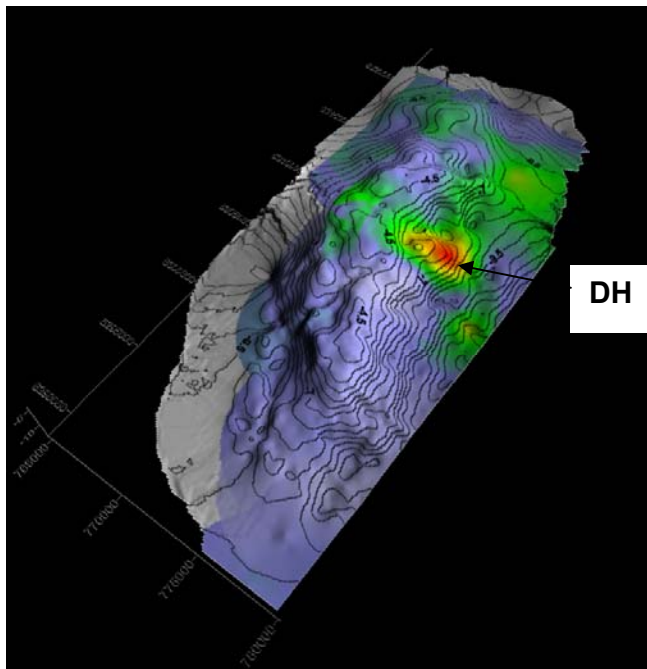


Figure 4: A strongly coincident geochemical and geophysical anomaly over the Wandearah target was used to site a 466m deep diamond drill hole completed by Avoca during the quarter (marked DH). The figures show geochemical anomalism draped over a contoured relief image of the Bouguer gravity data. The left-hand image is of copper over gravity, and the right-hand image is of cerium (a REE) draped over gravity.

Preliminary logging of the Southbank target diamond drill hole has identified moderate levels of pyrite with lesser chalcopyrite. Results are awaited.

3. Joint Venture Projects

The portfolio of Avoca's Western Australian JVs is tabled below:

JV Partner	Project	Earn-in
Mines and Resources Australia	Mungari	earning 51%
Metex / Placer Dome	Laverton	earned 70%
Metex / Placer Dome	Mt Morgans	earned 70%
Vulcan / Sons of Gwalia	Edjudina	earning 80%
Gutnick	South Laverton	earning 80%

Table 2: Avoca's WA Joint Venture Portfolio.

3.1 Mines and Resources Australia Mungari Joint Venture

MRA earning 51% by spending \$0.75M

114 RAB holes for 4128m were drilled by Mines & Resources Australia Pty Ltd ("MRA") during the quarter. Results from 35 holes were returned during the quarter with no significant results. Results of the remaining 79 holes are awaited. In addition 129 surface geochemical samples were collected from three small geochemical programs. Results are awaited.

3.2 Gutnick Resources SLTZ Joint Venture.

Gutnick Resources earning 80% after spending \$1.2M

Two drill programs were completed by Gutnick Resources during the quarter. The first program drilled 27 RAB holes for 1748m. Several holes intersected anomalous mineralisation, with better results reported below in Table 3



Hole ID.	Intersection (g/t Au)	Interval
GKRSAVB24	4m @ 0.47	36-40m
GKRSAVB25	16m @ 0.39	80-96m
GKRSAVB26	20m @ 0.27	80-100m

Table 3: Drill results from Gutnick Resources Joint Venture.

12 holes for 501m were drilled as part of a larger RAB program at Yundamindera toward the end of the quarter. Results are awaited.

3.3 Vulcan Resources / Sons of Gwalia Edjudina Joint Venture.

Sons of Gwalia earning 80% after spending \$1.0M

Sons of Gwalia collected 485 auger drill samples over an area that had previously defined anomalous results from a regional geochemical survey conducted north-west of the Porphyry Gold Mine. Results are awaited.

3.4 Tenement Divestment Strategy

Following Avoca's successful bid for the advanced Higginsville Gold Project, the Company has accelerated its Tenement Divestment Strategy so that it can focus on its key projects.

Several discussions were held with interested parties in relation to the Company's Blister Dam Gold Project, the Kanowna South Gold Project, the Pinjin Gold Project, the Kalgoorlie East Gold Project, the Jimberlana Nickel – PGM project and several of the tenements comprising the South Australian Copper-Gold Project.

4. Corporate

4.1 Share Placement

During the quarter Shareholders approved the issue of 20,000,000 shares at 15 cents each to raise \$3 million being for acquisition and integral costs associated with the Company's acquisition the Higginsville Gold Project. Following Shareholder approval 14,884,655 ordinary shares were quoted on the ASX, with the remaining 5,115,345 ordinary shares quoted in early July.

4.2 Shareholders

The Company's top 5 shareholders are shown below in Table 4.

Shareholder	% of Issued Capital
Gold Fields Australasia Pty Ltd	9.31*
Kurana Pty Ltd	7.36
JP Morgan Nominees Pty Ltd	4.15
HSBC Nominees Pty Ltd	2.86
Redsummer Pty Ltd	2.36

* Pursuant to the acquisition of the Higginsville Gold Project, Gold Fields Australasia Pty Ltd's holding will increase to 19.95% of the issued capital.

Table 4: Avoca's top 5 shareholders as at 30 June 2004.

Total number of ordinary shares issued and quoted on the ASX as at 30 June 2004 is 80,526,400.

4.3 Directors

Following an internal promotion to the US-based role of Vice President – Business Development of Gold Fields Limited, Mr Tommy McKeith resigned from the Avoca Board during the quarter. The Board sincerely thanks Mt McKeith for his contribution to the Company and wishes him well with his future endeavours.

At this time Gold Fields has elected not to replace Mr McKeith on the Avoca Board.

5. Finance

At 30 June 2004, the Company had cash reserves of \$4.95 million and is debt free.

For and on behalf of the Board,



Rohan Williams
Managing Director

Information relating to geological matters reported herein was provided by Mr Rohan Williams who is a member of the Australasian Institute of Mining and Metallurgy and has more than 15 years of experience in the field being reported.