

March Quarter Highlights

Trident Underground Gold Mine

- 2,270m of underground development was achieved.
- Mining from ore drive development and commencement of stoping yielded 29,535t @ 4.3 g/t.
- Additional low grade ore mined from the peripheries of the orebody totaled 50,103t @ 1.6 g/t.
- Thick high grade results from grade control drilling of the Eastern Zone confirm the potential for a larger sub-level stoping opportunity analogous with the Western Zone mining style, and include:
 - 41.0m @ 3.3 g/t gold
 - 17m @ 4.6 g/t gold
 - 9.0m @ 4.1 g/t gold
- Thick high grade results from stope definition drilling of the upper zones of the Western Zone include:
 - 38.7m @ 4.0 g/t gold
 - 19.5m @ 4.7 g/t gold
 - 15.0m @ 5.1 g/t gold
 - 37.0m @ 3.3 g/t gold
- High grade results from drill testing mineralised structures outside resource and between the Eastern Zone and Western Zone successfully defined potential new ore positions, and include:
 - 0.8m @ 269 g/t gold
 - 5.8m @ 11.0 g/t gold
 - 5.0m @ 8.1 g/t gold
 - 3.0m @ 28.1 g/t gold
- Additional high grade results returned from extensional drill testing designed to locate resource extensions of the high grade Athena and Poseidon South lodes include:
 - 0.4m @ 582 g/t gold
 - 1.5m @ 74.1 g/t gold
 - 1.0m @ 52.4 g/t gold
 - 2.0m @ 56.3 g/t gold
 - 1.0m @ 59.5 g/t gold

1Mtpa Higginsville Treatment Plant

- Design and construction had reached 93% completion by the end of the quarter.
- Construction remains on budget and target for June 2008 commissioning.
- Significant project advance was achieved with the delivery and partial installation of the 1 Mtpa ball mill.

Higginsville Project Infrastructure

- Progress continued on key infrastructure during the quarter including: the 180 person accommodation village; the construction of the 1.5GL pa borefield; the optic fibre communication link to the Perth office and the 10MW dual diesel, gas-fired power station.

Higginsville Exploration Results

- High grade gold mineralisation was discovered at Avoca's 100% owned Musket Prospect, located 40km south-east of Trident. The first surface diamond drill hole SISD001 returned 18m @ 10.9 g/t gold from a shallow 68m down hole depth.
- Fairplay North diamond drilling intersected high grade intersections 500m southeast of Two Boys, including:
 - 17.4m @ 6.8 g/t gold which included 3.5m @ 14.9 g/t gold and 2.1m @ 24.1 g/t gold
- New gold mineralisation located beneath the south end of the Poseidon South pit, and lying 250m south of the potentially contiguous Athena Lodes has been defined over a 100m strike length, and includes:
 - 11.0m @ 3.1 g/t gold
 - 1.6m @ 6.6 g/t gold
 - 2.0m @ 2.7 g/t gold
 - 4.9m @ 3.3 g/t gold
 - 1.9m @ 5.2 g/t gold

Mt Fisher Gold Project

Assay results from the aircore drilling project completed in the December quarter last year have now been received. Results confirm the extensive nature of near-surface mineralisation and anomalism defined along a 7km long trend, and include:

- 9m @ 7.1 g/t gold
- 16m @ 2.2 g/t gold
- 32m @ 0.6 g/t gold
- 25m @ 1.5 g/t gold
- 24m @ 1.0 g/t gold
- 20m @ 0.8 g/t gold

Corporate

Avoca received credit approval for an AUD\$71 million multi-option senior debt facility with Société Générale Australia Branch and BOS International (Australia). The facility, which includes a \$25M revolving line of credit, has a 30 month tenor which can, in part, be extended to 42 months upon certain conditions being met. An important consideration of the facility is that no forward sales of Higginsville gold production are required.

1. Higginsville Gold Project

Figure 1: Course visible gold in development outside reserves.



The 927Koz high grade Trident Gold Deposit is located in the historic mining centre of Higginsville which lies midway between the world class gold mining camps of St Ives (+15Moz) and Norseman (+6Moz) in the Eastern Goldfields of Western Australia. Avoca acquired the Higginsville Gold Project in July 2004, and quickly discovered the Trident gold deposit. Following an extensive drill out and subsequent feasibility studies, approval was given to commence development by the Avoca Board in early 2007. The initial JORC mining reserve is 3.4Mt @ 5.3 g/t gold for 581Koz gold. Annual production levels in the order of 160 – 190Koz per annum are targeted at life of reserve cash costs of \$A369 per ounce. An aggressive annual exploration budget of \$11 million has already yielded new gold discoveries at Higginsville as well as materially extending the known mineralisation at Trident. The Avoca Directors are confident the original four year reserve life of Trident will increase markedly over time to a 10+ year mine life for the Higginsville Gold Project.

1.1 Trident Underground Gold Mine Update

Mine Development

Total underground development for the quarter was 2,270m, comprising 310m in the main and Athena declines; 1,829m of lateral development, including ore drives; and 131m of vertical development.

Quarterly production from Trident yielded 29,535t at an estimated grade of 4.3 g/t. 95% of the quarterly production was achieved from ore drive development in preparation for stoping. Several very high grade headings (+20 g/t gold) were encountered during development of the Athena Lodes outside reserves. A small amount of stoping commenced in the upper levels of Eastern Zone during the quarter. In addition, 50,103t @ 1.6g/t of low grade material was stockpiled separately. The low grade material was mined from the margins of the orebody encountered whilst developing toward the main Trident lodes.

The ore continues to be stockpiled on the surface in preparation for the treatment plant commissioning in June 2008.

Ore development will continue throughout the June quarter in order to establish stoping horizons and drill access drives. Underground grade control drilling of the Eastern Zone (see below) has successfully defined thicker, high grade areas that are amenable to a sub-level open stoping (SLOS) style of mining that is analogous to the mining technique to be used for the thick, high grade Western Zone. The initial Eastern Zone SLOS mining will commence in the June quarter.

Avoca is very pleased to report that Trident achieved a two year Lost Time Injury free safety record during the March quarter.

Figure 2: Ring drilling for stoping production.



Underground Drilling/Exploration

A total of 5,040m of underground diamond drilling was completed during the quarter targeting principally infill grade control drilling of the Eastern Zone, Western Zone and the Athena Lodes with lesser resource extension drill testing. Significant results returned to date include:

Western Zone Grade Control Drilling

Stope definition drilling continued on the upper parts of the Western Zone, including:

- 38.7m @ 4.0 g/t gold
- 37.0m @ 3.3 g/t gold
- 19.5m @ 4.7 g/t gold
- 15.0m @ 5.1 g/t gold
- 22.4m @ 2.7 g/t gold
- 26.4m @ 2.4 g/t gold
- 11.5m @ 4.7 g/t gold

Eastern Zone Grade Control Drilling

Drilling to confirm the potential of a larger SLOS mining opportunity on the Eastern Zone included:

- 41.0m @ 3.3 g/t gold
- 17.0m @ 4.6 g/t gold
- 9.0m @ 4.1 g/t gold

Mineralisation between the Eastern and Western Zones

Drilling designed to test for mineralised structures between the main Eastern Zone and Western Zone orebodies successfully intersected several high grade zones, including:

- 0.8m @ 269.0 g/t gold
- 3.0m @ 28.1 g/t gold
- 5.8m @ 11.0 g/t gold
- 5.0m @ 8.1 g/t gold
- 3m @ 10.0 g/t gold
- 3.0m @ 7.7 g/t gold
- 1.0m @ 18.3 g/t gold
- 7.0m @ 3.9 g/t gold
- 1.2m @ 23.0 g/t gold
- 1.15m @ 20.6 g/t gold

Athena & Poseidon South Extensional Drilling

Drilling to identify resource extensions to known high grade veins at both Athena and Poseidon South yielded several high grade intersections including:

- 0.45m @ 582.0 g/t gold
- 2.0m @ 56.3 g/t gold
- 1.5m @ 74.1 g/t gold
- 1.0m @ 59.5 g/t gold
- 1.0m @ 52.4 g/t gold
- 1.6m @ 18.0 g/t gold
- 1.3m @ 19.1 g/t gold

1.2 Higginsville Treatment Plant Update

Figure 3: Delivery of ball mill shells to site.



Figure 4: Crusher and fine ore bin assembly. Mill end in foreground.



Figure 5: Installation of concrete paths for new camp.



A key milestone for the 1 Mtpa Higginsville treatment plant was achieved during the quarter with the delivery to site, and commencement of installation, of the large ball mill (Figure 3). The ball mill is the last of the critical items to arrive to site, and by quarter-end the plant had reached 93% completion. Importantly the treatment plant remains on time and on budget for a June 2008 commissioning. In addition to the mill delivery, key treatment plant advance during the quarter included:

- The delivery and erection of large amounts of structural steel to site, enabling the installation of crushing area platework and equipment.
- The erection of the fine ore bin to roof height.
- Completion of painting of the CIL tanks.
- Piping for the site infrastructure and tailings.
- Process water dams were filled

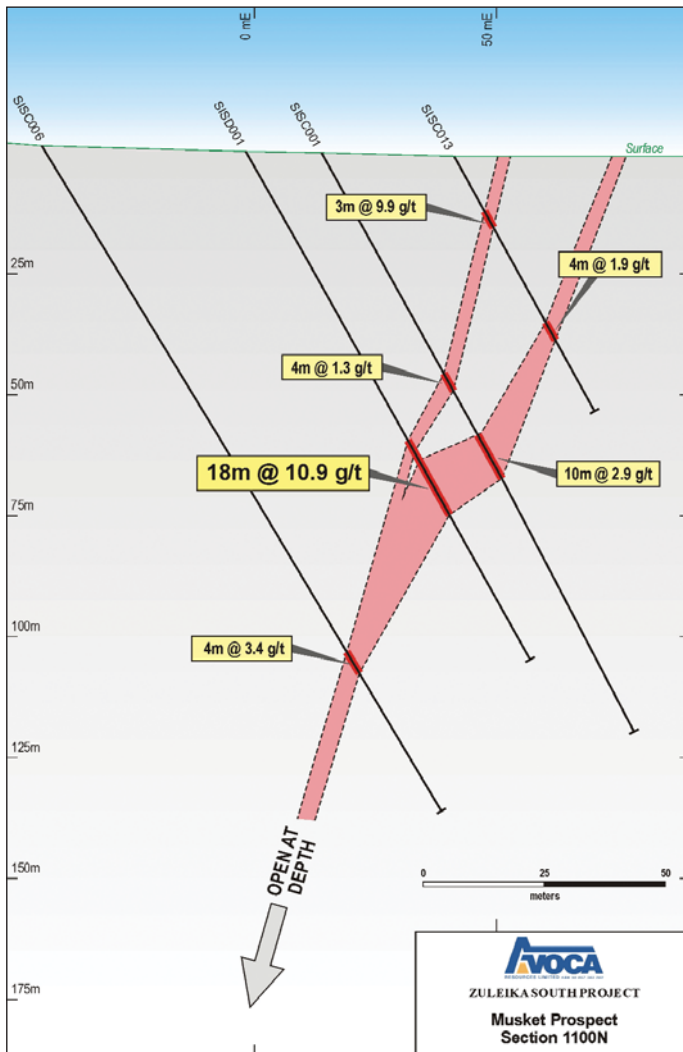
All key personnel have been recruited for the management and operation of the treatment facility: a mineral processing manager, two mill foremen, four shift bosses, gold room operators, process operators and a maintenance superintendent. Avoca has secured an excellent highly experienced workforce for its new treatment plant.

1.3 Higginsville Project Infrastructure Update

Good progress continues to be made towards the completion of key Higginsville infrastructure projects on site. All infrastructure projects remain on time and on budget for completion at the end of the next quarter, in line with completion of the treatment plant. Achievements during the quarter include:

- All accommodation units arrived on site for the new 180 person village. The kitchen/diner building and the village administration buildings also arrived on site (please see Figure 5).
- Majority of the pipeline materials arrived on site for the construction of the raw water system from the Chalice bore field to the Higginsville plant.
- Completion of design drawings for the airfield.
- The fibre optic cable for the communication link to the Perth office is well progressed with trenching and cable installation to the administration area and the communications building was completed. The communication infrastructure design was also completed.
- Erection of the power station building was completed for the 10MW dual diesel, gas-fired power station.

Figure 6: Cross section of Musket prospect showing shallow high grade mineralisation which is open at depth.



1.4 Higginsville Exploration

Aggressive surface exploration continued at several near mine and regional targets within Avoca's 2,700km² Higginsville Gold Project holding. A total of 6,562m of surface RC drilling and 5,254m of surface RC drilling was completed during the quarter, with a highlight being the identification of thick high grade mineralisation at the Musket prospect, located 40km south-east of Trident.

Musket

The first of three surface diamond drill holes designed to better understand the nature of mineralisation previously defined by RC drilling in the Silver Spear project area intersected 18m @ 10.9 g/t gold from 68m. The mineralisation lies within a highly altered package of felsic rocks and is characterised by intense silicification, sulphidation and sericitisation. Abundant fine visible gold is evident in the drill core. Previously reported RC drilling results associated with the new intersection include 3m @ 9.9 g/t gold from 13m and 10m @ 2.9g/t from 67m (see Figure 6). Assays are awaited on the remaining two diamond drill holes.

Avoca will follow up the results with a detailed drilling program aimed at identifying the extent and orientation of the shallow high grade mineralisation. Musket may represent Avoca's second discovery outside the main Higginsville gold camp, following the Wills discovery announced in July 2007, which is located 25km north of Trident.

Avoca's focus at Musket is to prove up sufficient resources to develop an open pit mine capable of providing additional feed to the Company's new 1 Mtpa Higginsville treatment plant.

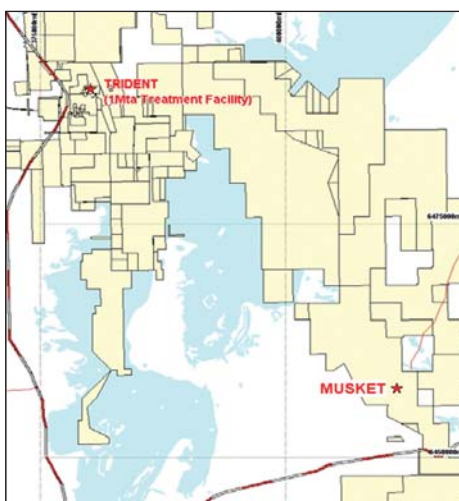


Figure 7: Location of Musket prospect 40km south-east of Trident, Higginsville.

Fairplay North

Fifteen diamond drillholes were completed at the Fairplay North Prospect, located 500m southeast of the high grade Two Boys Mine and 1,500m south-east of Trident. Visible gold in quartz veins was observed in nine of the fifteen holes completed. Of the assay results received to date, a high grade intersection of 17.4 m @ 6.8 g/t was returned from HIFD009, containing four gold-bearing veins, of which two assayed 3.5m @ 14.9 g/t and 2.1m @ 24.1 g/t. The gold-bearing veins are similar in appearance to the nearby Two Boys Vein and remain open to the north, south and at depth.

Poseidon South

The last of the assay results from a diamond drilling program testing for high grade mineralisation approximately 100m beneath the south end of the Poseidon South pit were returned during the quarter. It is possible the mineralisation defined represents the southern continuation of the Athena Lodes resource located 250m to the north. Mineralisation has now been confirmed over a 100m strike length, with further extensions to be drill tested in the June Quarter. Results include:

- 11.0m @ 3.1 g/t gold
- 4.9m @ 3.3 g/t gold
- 1.6m @ 6.6 g/t gold
- 1.9m @ 5.2 g/t gold
- 2.0m @ 2.7 g/t gold

2. Mt Fisher Gold Project

Assay results from a regional aircore drilling program completed in the December quarter last year have now been received. The results confirm the extensive nature of near-surface mineralisation and anomalism defined along a 7km long trend. Significant results include:

- 9m @ 7.1 g/t gold
- 25m @ 1.5 g/t gold
- 16m @ 2.2 g/t gold
- 24m @ 1.0 g/t gold
- 32m @ 0.6 g/t gold
- 32m @ 0.6 g/t gold
- 20m @ 0.8 g/t gold
- 12m @ 0.9 g/t gold
- 8m @ 1.3 g/t gold
- 15m @ 0.6 g/t gold
- 8m @ 0.9 g/t gold
- 4m @ 2.0 g/t gold
- 8m @ 1.3 g/t gold
- 12m @ 0.5 g/t gold
- 8m @ 0.8 g/t gold
- 4m @ 2.3 g/t gold
- 8m @ 0.7 g/t gold
- 4m @ 1.4 g/t gold
- 4m @ 1.1 g/t gold
- 4m @ 1.1 g/t gold
- 4m @ 1.1 g/t gold
- 4m @ 1.0 g/t gold
- 4m @ 0.7 g/t gold
- 4m @ 0.6 g/t gold

Results are being interpreted and will form the basis of an RC and diamond drilling program testing for bedrock mineralisation. Given the poor availability of appropriate drilling rigs, it is anticipated drilling will commence mid-year.

3. Joint Venture Projects

WA Uranium JV Project (Encounter 80%, Avoca 20%)

Lakeview (E29/577)

The joint venture drilled a coincident magnetic and gravity anomaly at the Lakeview project located 50km west of Leonora in the Eastern Goldfields of WA. The single hole was designed to test one of two geophysical anomalies that have been modeled as sub-vertical pipe-like intrusions in an area where previous explorers have identified kimberlite indicator minerals. The hole successfully intersected 95m of kimberlitic-like rock beneath 108m of recent sediments. Test work will be completed that will include the concentration of any diamond indicator minerals, SEM analysis and interpretation of prospective grains and the recovery of microdiamonds if present, by caustic fusion.

4. Corporate

The company has received credit approval for an AUD\$71 million multi-option secured facility (Debt Facility) with Société Générale Australia Branch (SocGen) and BOS International (Australia) (BOSI). SocGen will provide 60% of the Debt Facility and BOSI will provide 40% of the Debt Facility. The Debt Facility will comprise three tranches:

- (i) AUD\$25 million revolving line of credit with an initial term of 30 months from project commissioning which can be extended to a 42 month loan tenor upon certain conditions being met (Tranche 1);
- (ii) AUD\$43 million non-revolving facility with a 6 monthly amortising repayment schedule over a 30 month loan tenor from project commissioning (Tranche 2); and
- (iii) AUD\$3 million performance bond guarantee facility available for the term of the Tranche 1 facility.

The purpose of the Debt Facility is to:

- Refinance the existing AUD\$21 million unsecured facility (\$18 million cash advance, drawn to \$13 million, and \$3M Performance Bond facility) provided by SocGen in 2006.
- Provide replacement funds to facilitate the completion of the construction and development of the Higginsville Gold Project.
- Provide a general working capital limit for ongoing use

The provision of the Debt Facility remains subject to the meeting of certain conditions typical for a financing of this nature. Avoca anticipates financial close and initial draw down in early May 2008.

Importantly, neither Avoca Mining Pty Ltd nor Avoca Resources Ltd are required to enter into forward selling hedging contracts for ounces produced as a condition of the bank finance.

Table 1: Joint Venture Portfolio

JV Partner	Project	Partner Interest
La Mancha	Mungari	Earned 51%
Integra Mining	Cowarna	Earning 80%
Metex / Barrick	Laverton	Earned 70%
Hawthorn*	South Laverton	Earned 80%
Regal Resources	Mt Goose	Earning 80%
Encounter Resources	Lake Way Uranium	Earned 60%
Encounter Resources	WA-based uranium portfolio	Earned 80%

*Great Gold Mines have changed their name to Hawthorn Resources Limited.

5. Finance

Table 2: Avoca's top five shareholders

Shareholder	% quoted
CITICORP NOMINEES PTY LTD	25.09
JP MORGAN NOMINEES AUST LTD	14.41
HSBC CUSTODY NOMINEES AUST LTD	8.81
ANZ NOMINEES	1.79
NATIONAL NOMINEES LTD	1.49

The total number of shares currently quoted on the ASX as at 31 March 2008 is 218,945,976.

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As at 31 March 2008, Avoca had cash reserves of \$9.6 million. The Company has an \$18 million unsecured cash advance facility provided by SocGen and has a \$3 million Performance Bond Guarantee Facility with SocGen, which is to be used for the Higginsville Gold Project. Performance bonds issued under this facility as at 31 March 2008 amount to \$2.9 million. The facilities are due to expire on the 31 May 2008, and will be replaced by the AUD\$71 million multi-option secured facility with SocGen and BOSI.

For and on behalf of the Board,



Rohan Williams
Managing Director

The Information in this report that relates to Exploration Results is based on information compiled by Mr Rohan Williams, Mr Geoff Collis and Mr Chris Newman who are Members of the Australasian Institute of Mining and Metallurgy. Messrs Williams, Collis and Newman are full time employees of Avoca Resources Limited, and have sufficient experience which is relevant to the style of mineralisation under consideration to qualify as Competent Persons as defined in the 2004 edition of the Australian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Messrs Williams, Collis and Newman consent to the inclusion in the report of the matters based on the information in the form and context in which it appears.