



Corporate Participant of Australian Stock Exchange ACN 092 989 083 ABN 95 092 989 083

Level 14, Mt Newman House 200 St Georges Terrace, Perth WA 6000 PO Box 7625 Cloisters Square, WA 6850
Telephone (+61 8) 9288 3388 Facsimile (+61 8) 9321 6997, (+61 8) 9321 6998 Email: broker@stateone.com.au

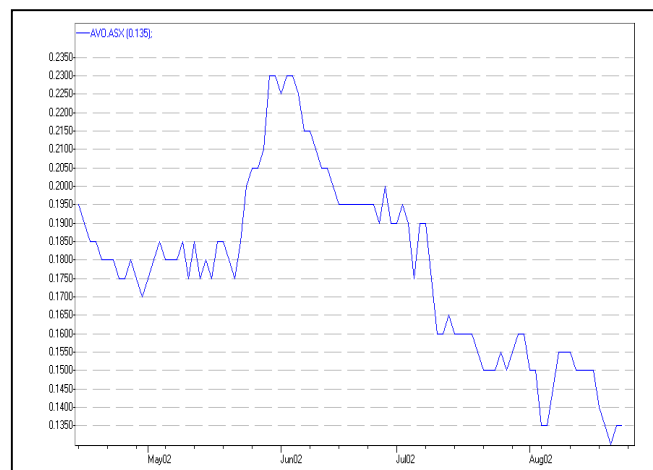
26th August, 2002

Avoca Resources Limited

Share Price: \$0.135
ASX Code: AVO
Issued Capital: 57.1 million shares
9.3 million unlisted options (\$0.25 by 30 June, 2006)
Total Potential: 66.4 million shares
Market Capitalisation: \$9.0 million

Summary

Avoca Resources provides investors with exposure to four 100%-owned resource exploration projects. Drilling will be undertaken on two of the projects in September and October, namely the Wiluna South Gold Project and the Mungari Gold Project. Avoca had \$5.3m cash on hand as at 30th June 2002, with a fully-diluted market capitalisation of \$9.0m. Avoca is currently cash flow negative and does not pay a dividend. With such a strong cash position, Avoca is recommended as a speculative buy for exposure to the upcoming drilling programs targeting gold mineralisation.



Background

Avoca Resources listed on the ASX on 15th April 2002, raising \$7m. Avoca was born out of the de-merger of Herron Resources. Herron was to focus on the Goongarrie nickel laterite resource, whilst the non-nickel assets were sold to Avoca.

Avoca's leaseholding comprises 6,239km² in the Eastern Goldfields of Western Australia and 16,621km² on the Stuart Shelf in South Australia.

The Top 20 shareholders own 47% of Avoca, and the major shareholders are as follows:

Gold Fields Australasia Pty Ltd	13.14%
Kurana Pty Ltd	10.31%
OMG Cawse Pty Ltd	5.57%
Redsummer Pty Ltd	5.03%

Avoca's key projects (100% owned) are:

- Wiluna South Gold (WA)
- Mungari Gold (WA)
- Stuart Shelf Copper (SA)
- Jimberlana PGM (WA)

Wiluna South Gold Project (100% Avoca)

Wiluna South Gold Project lies on Lake Way, 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 Williamson's Project.

One hundred and forty five 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. The most significant result returned was 6m at 2.06g/t Au.

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

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

Mungari Gold Project (100% Avoca)

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 Project comprises a 6km segment of undrilled "prospective mine sequence".

The geology is characterised by segmented "magnetic" dolerite adjacent to the Zuleika Shear. Similar segmented "magnetic" dolerite appears to be coincident with significant gold mineralisation in the Kundana gold camp, and hence provides a "prospective mine sequence".

Surface gravels and rock chips on Avoca's tenements have assayed up to 0.3g/t Au. First pass geochemistry has commenced, and drilling of the anomalies is expected to commence in September.

Author: Christian Zerovich 08 9288 3303

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