



AVOCA RESOURCES LIMITED

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22 July 2009

No. of Pages: 2

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THIRD SUPPLEMENTARY BIDDER'S STATEMENT

CLARIFICATION OF MEDIA COMMENTS ABOUT EXTENSION OF AVOCA'S UNCONDITIONAL OFFER

*This is the third supplementary bidder's statement (**Third Supplementary Bidder's Statement**) to the bidder's statement (**Bidder's Statement**) of Avoca Resources Limited ABN 30 097 083 282 (ASX:AVO) (**Avoca**) dated 5 May 2009 given in connection with its takeover offer for all of the shares in Dioro Exploration NL ABN 31 009 271 532 (ASX:DIO) (**Dioro**). This Third Supplementary Bidder's Statement supplements, and must be read together with, the Bidder's Statement and Avoca's first supplementary bidder's statement dated 6 July 2009 and second supplementary bidder's statement dated 13 July 2009. This Third Supplementary Bidder's Statement is dated 22 July 2009 and has been approved by a unanimous resolution of the Avoca board. A copy of this Third Supplementary Bidder's Statement has been lodged with ASIC. Neither ASIC nor any of its officers takes any responsibility for the contents of this Third Supplementary Bidder's Statement.*

ASX200 gold producer Avoca wishes to clarify media reports which incorrectly stated that Avoca would not extend its unconditional takeover offer for all of the shares in Dioro (**Offer**).

While Avoca has stated publicly that its offers were currently scheduled to close on 21 July 2009, Avoca believes that disclosure on its ability to extend beyond that date was clear. In particular, Avoca refers to:

- its ASX announcement, first supplementary bidder's statement and notice of variation dated 6 July 2009 under which it extended the Offer to "21 July 2009 (unless further extended or withdrawn)"; and
- Dioro's fourth supplementary target's statement dated 14 July 2009, where Dioro referred to "the revised closing date of the Amended Offer on 21 July 2009 (which date may be extended by Avoca)".

Certain statements have appeared in various media on 20 and 21 July 2009 (attributed to Rohan Williams, Avoca's Managing Director) to the effect that Avoca would not

extend its Offer. Avoca wishes to make it very clear that these were not direct and complete quotations and that neither Avoca nor its Managing Director has made any "last and final" statements in relation to its Offer.

On 20 July 2009, Avoca extended the Offer period under its unconditional takeover offer by one week, so that it is now scheduled to close at 5.00pm (Perth time) on Tuesday 28 July 2009 (and Avoca again reserves its rights to further extend its Offer). The extension was to allow Dioro shareholders to consider:

- Dioro's lower than anticipated reserve announcement, which shows attributable Frog's Leg **reserves are 21% lower** than the reserve figure used by KPMG in Dioro's Target's Statement released to the ASX on 28 May 2009; and
- Dioro's questionable tactics in:
 - calling a trading halt shortly before the scheduled closing date for Avoca's Offer "pending the release of a significant increase in reserves", notwithstanding that the increased reserve figure is actually 21% lower than that used by KPMG in Dioro's Target's Statement;
 - stating that the trading halt would be effective "until the receipt of final financial analysis, currently being prepared", and then announcing that the final financial analysis is not anticipated to be available until Friday 24 July 2009 (again leaving Dioro shareholders in a position where they do not have all available information before them to assess Avoca's unconditional Offer); and
 - releasing a table to ASX on 20 July 2009 showing an incorrectly inflated reserve figure, only to then re-release a corrected announcement with lower reserve figures.

Since Avoca's extension, Dioro has announced that it is in discussions with Northgate Minerals Corporation regarding a "potential material transaction". As Dioro's largest shareholder (with an interest of **20.23%**), Avoca awaits with interest further details of this potential transaction which, given the approaching scheduled closing date for Avoca's unconditional Offer, should be provided to shareholders as soon as possible. Avoca also expects that the Dioro board will ensure that any transaction that materialises is put before Dioro shareholders for their approval.

We again urge you to consider all of the information you have been provided and to **ACCEPT** Avoca's **compelling and unconditional** Offer. **You are being offered a very substantial premium for your Dioro shares AND the opportunity to exchange your poorly performing Dioro shares for shares in the strongly performing Avoca, an ASX200 company of scale and excellent growth prospects.**

To be effective, your completed acceptance form (or, where your shares are held in CHESS, your valid instructions to enable the Offer to be accepted on your behalf) need to be received by Security Transfer Registrars Pty Ltd before the closing date of the Offer (28 July 2009, unless further extended).

If Dioro shareholders have any questions about the Offer or require assistance with their acceptance, they should call the Avoca Offer information line on 1300 751 719 (callers within Australia) or +613 9415 4346 (callers outside Australia).



Robert G Reynolds
Chairman