

AVOCA

FOR SUCCESS THROUGH

INSIDE

EXPLORATION ACQUISITION DEVELOPMENT



Avoca Resources Limited Annual Report 2002

ABN 30 097 083 282

the first 100 days ...



Avoca Resources Limited

Summary of Tenements

Tenement Identifier	Registered Holder	Status	Interest Held	Tenement Identifier	Registered Holder	Status	Interest Held
WESTERN AUSTRALIA							
Jimberlana PGM Project							
E28/1239	Avoca	A	100%	P63/1142	Heron	G	100%
E63/631	Heron	G	100%	P63/1143	Heron	A	100%
E63/709	Heron	A	100%	P63/1144	Heron	A	100%
E63/712	Heron	A	100%	P63/1145	Heron	A	100%
E63/798	Avoca	G	100%	P63/1160	Avoca	G	100%
E63/802	Avoca	G	100%	P63/1161	Avoca	G	100%
E63/803	Avoca	G	100%	P63/1162	Avoca	A	100%
E63/804	Avoca	A	100%	P63/1163	Avoca	A	100%
E63/807	Avoca	A	100%	P63/1175	Avoca	A	100%
E63/822	Avoca	A	100%	P63/1176	Avoca	A	100%
P63/1137	Heron	A	100%	P63/1177	Avoca	A	100%
P63/1138	Avoca	G	100%	P63/1178	Avoca	A	100%
P63/1139	Heron	G	100%	P63/1179	Avoca	A	100%
P63/1140	Heron	G	100%	P63/1180	Avoca	A	100%
P63/1141	Heron	G	100%	P63/1181	Avoca	A	100%
Fraser Range PGM Project							
E28/1162	Heron	A	100%	E28/1165	Heron	A	100%
E28/1163	Heron	A	100%	E28/1237	Avoca	A	100%
E28/1164	Heron	G	100%				
Snake Hill JV							
E29/290	Avoca	G	100% ¹	M30/184	Avoca	A	100% ¹
M29/310	Avoca	A	100% ¹	M30/185	Avoca	A	100% ¹
E30/166	Avoca	G	100% ¹	M29/284	Heron	A	100% ¹
M30/173	Avoca	A	100% ¹				
¹ Barra Resources Limited right to earn 70% by spending \$0.3m.							
Blister Dam JV							
E16/181	Avoca	G	100% ²	P16/2151	Avoca	G	100% ²
E16/195	Avoca	G	100% ²	P16/2166	Avoca	A	100% ²
E16/275	Avoca	A	100% ²	P24/3773	Avoca	A	100% ²
E24/120	Avoca	A	100% ²	P24/3774	Avoca	A	100% ²
P16/2149	Avoca	G	100% ²	P24/3776	Avoca	A	100% ²
P16/2150	Avoca	G	100% ²				
² Placer Dome Asia Pacific Limited right to earn 70% by spending \$1.2m. Heron retains all Nickel rights.							
Powder Sill Project							
E15/411	Hazurn	A	100%	M16/377	Heron	A	100%
E16/121	Avoca	G	100%	M16/378	Heron	A	100%
E16/146	Avoca	G	100%	M16/379	Heron	A	100%
M16/446	Avoca	A	100%	M16/414	Heron	A	100%
M16/454	Avoca	A	100%				
Mungari Gold Project							
E15/726	Avoca	G	100%	P15/4418	Heron	G	100%
E15/738	Avoca	A	100%	P15/4419	Heron	G	100%
M15/1350	Heron	A	100%	P15/4420	Heron	A	100%
P15/4215	Avoca	G	100%	P15/4421	Heron	A	100%
P15/4216	Avoca	G	100%	P15/4422	Heron	A	100%
P15/4217	Avoca	G	100%	P15/4425	Heron	G	100%
P15/4416	Heron	G	100%	P15/4472	Avoca	A	100%
P15/4417	Heron	G	100%				

Avoca Resources Limited

Summary of Tenements continued

Tenement Identifier	Registered Holder	Status	Interest Held	Tenement Identifier	Registered Holder	Status	Interest Held
Binduli Project							
E26/81	Heron	A	100%	P26/2803	Avoca	G	100%
P26/2791	Avoca	G	100%	M26/750	Avoca	A	100%
P26/2792	Avoca	G	100%	P26/2814	Avoca	G	100%
P26/2794	Avoca	G	100%	P26/2815	Avoca	G	100%
P26/2800	Avoca	G	100%	M26/763	Avoca	A	100%
M26/751	Avoca	A	100%	P26/2904	Avoca	G	100%
P26/2801	Avoca	G	100%	P26/2905	Avoca	G	100%
P26/2802	Avoca	G	100%	P26/2972	Avoca	G	100%
M26/762	Avoca	A	100%				
Gindalbie Project							
E24/125	Avoca	B	100%	E31/591	Avoca	A	100%
E24/127	Avoca	A	100%	E31/604	Avoca	A	100%
E27/145	Avoca	G	100% ³	M24/799	Heron	A	100% ³
E27/169	Heron	G	100% ³	M24/800	Heron	A	100% ³
³ Heron retains all Nickel rights.							
Kanowna South Project							
E27/292	Avoca	A	100%	P27/1552	Avoca	A	100% ⁴
P25/1739	Avoca	A	100%	P27/1553	Avoca	A	100% ⁴
P25/1740	Avoca	A	100%	P27/1554	Avoca	A	100% ⁴
P25/1741	Avoca	A	100%	P27/1555	Avoca	A	100% ⁴
P25/1742	Avoca	A	100%	P27/1556	Avoca	A	100% ⁴
P25/1743	Avoca	A	100%	P27/1557	Avoca	A	100% ⁴
P25/1744	Avoca	A	100%	P27/1558	Avoca	A	100% ⁴
P25/1745	Avoca	A	100%	P27/1559	Avoca	A	100% ⁴
P27/1550	Avoca	A	100% ⁴	P27/1560	Avoca	A	100% ⁴
P27/1551	Avoca	A	100% ⁴	P27/1561	Avoca	A	100% ⁴
⁴ Heron retains all Nickel rights.							
Roe Hills JV							
E28/886	Avoca	G	100% ⁵	E28/1013	Heron	B	100% ⁵
E28/927	Heron	A	100% ⁵	E28/1108	Heron	A	100% ⁵
E28/1012	Avoca	G	100% ⁵	E28/1166	Heron	A	100% ⁵
⁵ AurionGold Limited right to earn 80% by spending \$1.0m. Heron retains all Nickel rights.							
Transline JV							
E25/114	Avoca	G	100% ⁶	E25/191	Heron	G	100% ⁶
M25/267	Avoca	A	100% ⁶	E25/195	Avoca	G	100% ⁶
E25/167	Avoca	G	100% ⁶	E25/204	Avoca	G	100% ⁶
E25/168	Avoca	G	100% ⁶	E25/216	Heron	G	100% ⁶
E25/179	Avoca	G	100% ⁶	E28/1003	Avoca	G	100% ⁶
E25/184	Avoca	G	100% ⁶	E28/1116	Heron	G	100% ⁶
E25/186	Avoca	G	100% ⁶	P25/1580	Heron	A	100% ⁶
E25/189	Avoca	G	100% ⁶				
⁶ Harmony Gold Mining Company Limited right to earn 80% by spending \$0.8m.							
Avoca Project							
E25/234	Heron	B	100% ⁷	E28/1192	Heron	A	100% ⁷
E25/241	Heron	A	100% ⁷	E28/1199	Avoca	A	100% ⁷
E25/248	Heron	A	100% ⁷	E28/1207	Avoca	A	100% ⁷
E25/267	Avoca	A	100% ⁷	E28/1225	Avoca	A	100% ⁷
E28/1117	Heron	A	100% ⁷	E28/1300	Avoca	A	100% ⁷
E28/1118	Heron	A	100% ⁷	E28/1306	Avoca	A	100% ⁷
E28/1129	Heron	B	100% ⁷	E28/1307	Avoca	A	100% ⁷
E28/1136	Heron	B	100% ⁷	E28/1309	Avoca	A	100% ⁷
E28/1137	Heron	B	100% ⁷	P25/1737	Avoca	A	100% ⁷
E28/1148	Heron	A	100% ⁷	P28/985	Avoca	A	100% ⁷
E28/1188	Heron	A	100% ⁷				
⁷ Heron retains all Nickel rights.							

Avoca Resources Limited

Summary of Tenements continued

Tenement Identifier	Registered Holder	Status	Interest Held	Tenement Identifier	Registered Holder	Status	Interest Held
Wiluna South Gold Project							
E53/1010	Avoca	G	100%	P53/1113	Avoca	G	100%
E53/1012	Avoca	G	100%				
Victory JV							
E37/406	Avoca	G	100% ⁸	P37/5831	Avoca	G	100% ⁸
M37/1088	Avoca	A	100% ⁸	P37/5832	Avoca	G	100% ⁸
M37/931	Heron	A	100% ⁸	P37/5833	Avoca	G	100% ⁸
P37/5830	Avoca	G	100% ⁸				
⁸ Gold Fields Australasia Pty Ltd right to earn 80% by spending \$0.15m.							
Kookynie JV							
E31/410	Avoca	G	100% ⁹	E40/127	Avoca	G	100% ⁹
E31/484	Avoca	G	100% ⁹				
⁹ Newcrest Mining Limited right to earn 75% by spending \$0.8m. Heron retains all Nickel rights.							
Kookynie Project							
E31/592	Avoca	A	100%	P39/4128	Avoca	G	100%
E40/142	Avoca	G	100%	P39/4129	Avoca	G	100%
E40/186	Avoca	A	100%	P39/4130	Avoca	G	100%
P39/4127	Avoca	G	100%	P39/4131	Avoca	G	100%
Edjudina Laverton JV							
E31/312	Heron	G	100% ¹⁰	E31/479	Heron	B	100% ¹⁰
E31/354	Heron	G	100% ¹⁰	E31/524	Heron	A	100% ¹⁰
E31/374	Avoca	G	100% ¹⁰	E38/945	Avoca	G	100% ¹⁰
E31/377	Avoca	G	100% ¹⁰	E38/1152	Avoca	G	100% ¹⁰
E31/430	Avoca	G	100% ¹⁰	E38/1153	Avoca	G	100% ¹⁰
E31/465	Avoca	G	100% ¹⁰	E39/795	Avoca	G	100% ¹⁰
¹⁰ Vulcan Resources Ltd right to earn 80% by spending \$1.0m. Heron retains all Nickel rights.							
Southern Laverton Tectonic Zone JV							
E28/891	Heron	G	100% ¹¹	E39/721	Heron	G	100% ¹¹
E31/244	Heron	G	100% ¹¹	E39/729	Heron	G	100% ¹¹
E31/263	Heron	G	100% ¹¹	E39/734	Heron	G	100% ¹¹
M31/280	Heron	A	100% ¹¹	P28/923	Heron	G	100% ¹¹
M31/313	Heron	A	100% ¹¹	P28/924	Heron	G	100% ¹¹
E31/265	Heron	G	100% ¹¹	P28/925	Heron	G	100% ¹¹
M31/322	Heron	A	100% ¹¹	P28/926	Heron	G	100% ¹¹
E31/313	Heron	G	100% ¹¹	P28/927	Heron	G	100% ¹¹
E31/315	Heron	G	100% ¹¹	M28/261	Heron	A	100% ¹¹
E31/317	Heron	G	100% ¹¹	P31/1546	Heron	G	100% ¹¹
M31/324	Heron	A	100% ¹¹	P31/1547	Heron	G	100% ¹¹
M31/325	Heron	A	100% ¹¹	P31/1569	Heron	A	100% ¹¹
M31/326	Heron	A	100% ¹¹	P31/1570	Heron	A	100% ¹¹
E31/343	Heron	G	100% ¹¹	P31/1571	Heron	A	100% ¹¹
E31/352	Heron	G	100% ¹¹	P31/1572	Heron	A	100% ¹¹
E31/353	Heron	G	100% ¹¹	P31/1573	Heron	A	100% ¹¹
E31/434	Heron	G	100% ¹¹	P31/1574	Heron	A	100% ¹¹
E31/489	Heron	G	100% ¹¹	P31/1575	Heron	A	100% ¹¹
E39/661	Heron	G	100% ¹¹	P39/3691	Heron	G	100% ¹¹
E39/662	Heron	G	100% ¹¹	M39/812	Heron	A	100% ¹¹
E39/663	Heron	G	100% ¹¹				
¹¹ Gutmick Resources NL right to earn 80% by spending \$1.2m.							

Avoca Resources Limited

Summary of Tenements continued

Tenement Identifier	Registered Holder	Status	Interest Held	Tenement Identifier	Registered Holder	Status	Interest Held
Karonie South JV							
E28/631	Heron	G	20% ¹²	E28/860	Heron	G	20% ¹²
E28/665	Heron	G	20% ¹²	E28/861	Heron	G	20% ¹²
M28/248	Heron	A	20% ¹²	E28/862	Heron	G	20% ¹²
M28/249	Heron	A	20% ¹²	E28/929	Heron	G	20% ¹²
M28/250	Heron	A	20% ¹²	E28/1014	Heron	G	20% ¹²
M28/251	Heron	A	20% ¹²	E63/691	Heron	G	20% ¹²
¹² Gold Fields Australasia Pty Ltd has earned 80%, Avoca 20% free-carried to decision to mine.							
Euro Project							
M38/404	Avoca	G	100% ¹³	M38/405	Avoca	G	100% ¹³
¹³ Heron retains Nickel rights.							
Mt Zephyr Project							
E39/538	Avoca	G	100% ¹⁴	E39/940	Avoca	A	100% ¹⁴
E39/738	Avoca	G	100% ¹⁴	P39/4221	Avoca	A	100% ¹⁴
¹⁴ Heron retains Nickel rights.							
Laverton JV							
E38/831	Avoca	G	100% ¹⁵	E38/832	Avoca	G	100% ¹⁵
¹⁵ Metex Resources Ltd right to earn 70% by spending \$0.5m.							
Mt Morgans JV							
P39/3454	Avoca	G	30% ¹⁶	P39/3466	Avoca	G	30% ¹⁶
M39/754	Avoca	A	30% ¹⁶	P39/3467	Avoca	G	30% ¹⁶
P39/3455	Avoca	G	30% ¹⁶	P39/3468	Avoca	G	30% ¹⁶
P39/3456	Avoca	G	30% ¹⁶	P39/3469	Avoca	G	30% ¹⁶
P39/3457	Avoca	G	30% ¹⁶	M39/753	Avoca	A	30% ¹⁶
M39/755	Avoca	A	30% ¹⁶				
¹⁶ Metex Resources Ltd has earned 70%, Avoca diluting to 20%.							
Shell Lakes Project							
E69/1795	Avoca	A	100%	E69/1836	Avoca	A	100%
E69/1796	Avoca	A	100%				
Regional							
E25/256	Avoca	B	100%	E38/1461	Avoca	A	100%
E28/1226	Avoca	A	100%	E39/946	Avoca	B	100%
E28/1227	Avoca	A	100%	E39/971	Avoca	A	100%
E28/1240	Avoca	A	100%	E53/1059	Avoca	A	100%
E28/1242	Avoca	B	100%	P25/1720	Avoca	A	100%
E36/388	Avoca	G	100%	P25/1721	Avoca	A	100%
E37/713	Avoca	A	100%	P25/1722	Avoca	A	100%
SOUTH AUSTRALIA							
Torrens Project							
ELa126/01	Avoca	A	100%	EL2926	Avoca	G	100%
ELa127/01	Avoca	A	100%	EL2942	Avoca	G	100%
EL2924	Avoca	G	100%				
Cowell Project							
ELa130/01	Avoca	A	100%				
Moonta Project							
EL2749	Avoca	G	100%	EL2923	Avoca	G	100%
EL2920	Avoca	G	100%	EL2925	Avoca	G	100%
EL2921	Avoca	G	100%	EL2955	Avoca	G	100%
EL2922	Avoca	G	100%				

A - Application

G - Granted

B - Exploration Licence in Ballot

Avoca - Avoca Resources Limited

Heron - Heron Resources Limited
{Avoca holds registrable transfer documents,
or is in the process of formalising transfer}

Hazurn - Hazurn Pty Ltd
{Discussions are in progress
to facilitate transfer}

Corporate Governance Statement

Avoca Resources Limited

The CONCISE FINANCIAL REPORT has been derived from Avoca Resources Limited's 2002 full financial report. The financial statements included in the concise financial report cannot be expected to provide as full an understanding of Avoca Resources Limited's financial performance, financial position and financing and investing activities as provided by the full financial report. A copy of the 2002 full financial report, together with the independent audit report, is available free of charge to all shareholders. Shareholders wishing to receive a full financial report and independent audit report may obtain a copy by contacting the Company (refer contact details in the Corporate Directory).

BOARD OF DIRECTORS

The Board is responsible for the overall Corporate Governance of the Company including the strategic direction, establishing goals for management and monitoring the achievement of these goals. The Board has also established a framework for the management of the Company including setting levels of remuneration for Directors and senior personnel, an overall framework of internal control and the establishment of appropriate ethical standards.

The Board regularly reviews the Company's operational and financial performance and reviews and approves detailed budgets and investment opportunities. The Board works closely with executive management to identify and manage operational, financial and legislative risks.

To ensure the Board is well equipped to discharge its responsibilities it has established guidelines for the nomination and selection of Directors and for the operation of the Board.

COMPOSITION OF THE BOARD

The composition of the Board is determined using the following principles:

- The Board should comprise at least three Directors and should maintain a majority of Non-Executive Directors. This number may be increased where it is felt that additional expertise is required in specific areas, or when an appropriate candidate materialises.
- The Chairperson must be a Non-Executive Director.
- The Board should comprise Directors with a broad range of qualifications and expertise.

When a vacancy exists, through whatever cause, or where it is considered that the Board would benefit from the services of a new Director with particular skills, the Board selects a candidate or panel of candidates with the appropriate expertise and experience. The Board then appoints the most suitable candidate who must stand for election at the next general meeting of shareholders.

The full Board currently holds scheduled meetings each year plus any extraordinary meetings at such other times as may be necessary to address any specific significant matters that may arise.

The Company does not have a formal Nomination Committee.

BOARD RESPONSIBILITIES

As the Board acts on behalf of and is accountable to the shareholders, the Board seeks to identify the expectations of shareholders, as well as other regulatory and ethical expectations and obligations. In addition, the Board is responsible for identifying areas of significant business risk and ensuring arrangements are in place to adequately manage those risks. The Board seeks to discharge these responsibilities in a number of ways.

The responsibility for the operation and administration of the Company is delegated by the Board to the Managing Director and the executive team. The Board ensures that this team is appropriately qualified and experienced to discharge their responsibilities and has in place procedures to assess the performance of the executive team.

The Board is responsible for ensuring that management's objectives and activities are aligned with the expectations and risks identified by the Board.

MONITORING OF THE BOARD'S PERFORMANCE AND COMMUNICATION TO SHAREHOLDERS

The Board aims to ensure that the shareholders, on behalf of whom they act, are informed of all information necessary to assess the performance of the Directors. Information is communicated to the shareholders through:

- the annual report which is distributed to all shareholders;
- the half-yearly report; and
- the annual general meeting and other meetings so called to obtain approval for board action as appropriate.

All documents that are released publicly are made available on the Company's website at www.avocaresources.com.au

Corporate Governance Statement continued

Avoca Resources Limited

INDEPENDENT PROFESSIONAL ADVICE

Each Director has the right to seek independent professional advice at the Company's expense. However, prior approval of the Chairman is required, which should not be unreasonably withheld.

REMUNERATION

Remuneration levels are set by the Board in accordance with industry standards to attract suitably qualified and experienced Directors and senior executives.

COMMITTEES

Due to the size of the Company there are currently no Nomination, Remuneration or Audit Committees as all issues relating to corporate governance are dealt with by the Board of Directors who ensure arrangements are in place to adequately manage those risks.

The external auditors are invited to Board meetings as and when requested by the Board.

ETHICAL STANDARDS

All Directors and employees are expected to act with the utmost of integrity and objectivity, striving at all times to enhance the reputation and performance of the Company.

SAFETY AND ENVIRONMENT

The Board promotes high standards of occupational health and safety. The Board endeavours to increase employee and contractor awareness of health and safety issues in the workplace.

The Board also strives to improve environmental awareness and performance.

CONFLICT OF INTEREST

In accordance with the Corporations Act 2001 and the Company's Constitution, Directors must keep the Board advised, on an ongoing basis, of any interest that could potentially conflict with those of the Company. Where the Board believes that a significant conflict exists the Director concerned does not receive the relevant board papers and is not present at the Board meeting whilst the item is considered.

DIRECTORS DEALINGS IN COMPANY SHARES

The Constitution permits Directors to acquire shares in the Company. Company policy prohibits Directors from dealing in Company shares whilst in possession of price sensitive information. Directors must notify the Company Secretary once they have bought or sold shares in the Company or exercised options over ordinary shares. In accordance with the provisions of the Corporations Act 2001 and the Listing Rules of the Australian Stock Exchange, the Company on behalf of the Directors must advise the Australian Stock Exchange of any transactions conducted by them in shares and/or options in the Company.

Directors' Report

Avoca Resources Limited

The Directors present their report on Avoca Resources Limited for the year ended 30 June 2002.

DIRECTORS

The names and details of the Directors of Avoca Resources Limited during the financial year and until the date of this report are:

Robert G Reynolds – CA, MAICD, MAIMM

Non-Executive Chairman

Mr Reynolds was appointed a Director on 30 January 2002. Mr Reynolds is a Chartered Accountant with over 35 years experience in commerce and practice. He joined Delta Gold Limited in 1983 as its Accountant and Company Secretary and became an executive director in 1988. He became a non-executive director in 1996 and remained as such until the merger with Gold Fields Limited in late 2001. Mr Reynolds jointly oversaw the growth of Delta from a junior explorer to a medium size gold mining company. His role was corporate planning, capital raising, overseeing corporate governance and supervision of administration and financial management.

Rohan I Williams – B.Sc (Hons), MAIMM

Managing Director (Executive)

Mr Williams was appointed Managing Director on 25 September 2001. Mr Williams is a geologist of 15 years experience and was previously Chief Geologist of WMC Limited's St Ives Gold Operation. He has studied world-class nickel, copper and platinum group metals (Ni-Cu-PGM) ore occurrences in detail and was a joint developer of the metallogenic model responsible for the discovery by WMC of the West Musgrave Ni-Cu-PGM mineralisation. Mr Williams' previous exploration successes include the 1 million oz Belleisle gold deposit at St Ives Gold, the Daisy gold deposit at Central Norseman Gold Corporation and the Coronet Nickel Mine at Kambalda Nickel Operations.

Ian J Buchhorn – B.Sc (Hons), Dipl. Geosci, MAIMM

Non-Executive Director

Mr Buchhorn was appointed a Director on 8 June 2001. He is a mineral economist and geologist and has worked on gold-copper, PGM, nickel, lead-zinc and diamond projects in southern Africa. In Australia, Mr Buchhorn has worked on bauxite and industrial mineral mining and exploration, gold and base metal project generation, gold mine operation and in corporate evaluations. He has 28 years experience as an economic geologist, and for the last 16 years, has acquired, discovered and developed projects throughout the eastern goldfields of Western Australia, commissioned several open cut gold mines, and has operated as a Registered Mine Manager. Mr Buchhorn is the Managing Director of Heron Resources Limited.

Stephanie J Unwin – LLB, B.Econ

Non-Executive Director

Ms Unwin was appointed a Director on 25 September 2001. Ms Unwin practices as a corporate lawyer in Western Australia. She is a Partner with the commercial law firm, Pullinger Readhead Stewart, having commenced her career with the Australian Securities and Investments Commission, followed by working for a major national law firm. Ms Unwin has had extensive experience in providing corporate advisory services to predominantly resource companies, including takeovers, acquisitions, fundraisings, initial public offerings and ASX and ASIC compliance matters.

Thomas (Tommy) D McKeith – B.Sc Hons (Geol.) GDE (Mining) MBA

Non-Executive Director

Mr McKeith was appointed a Director on 3 July 2002. Mr McKeith is a geologist and is presently the Regional Manager – Australasia, of Gold Fields Australasia Pty Ltd of which he is a Director. He is responsible for the acquisition of exploration projects and the growth of Gold Fields in the Australasian region. Mr McKeith has 17 years experience in mining project evaluation throughout Africa, Russia and Australasia and for the past six years his focus has been on business development activities for Gold Fields. Mr McKeith was employed by Gold Fields through Gencor and its international gold group. He has been the manager of Gold Fields' activities in Indonesia. Prior to that, he worked in the Gencor Gold Project group as an evaluation geologist where he gained valuable experience in a number of international gold projects. Mr McKeith is a nominee director appointed by Gold Fields Australasia Pty Ltd.

Messrs Robert G. Colville and Rodney M. Evans were Directors from the beginning of the financial year until their resignations on 25 September 2001 and 29 January 2002, respectively.

Mr Craig L. Readhead was appointed a Director on 29 January 2002 and resigned on 20 February 2002.

PRINCIPAL ACTIVITIES

The principal activities of the Company during the financial year consisted of mineral exploration and development. On 15 April 2002, the Company listed on the Australian Stock Exchange, after successfully completing an Initial Public Offer raising \$7,000,000.

There have been no significant changes in these activities during the financial year.

Directors' Report continued

Avoca Resources Limited

RESULTS OF OPERATIONS

The net loss after income tax for the Company for the financial year was \$564,048 (2001: \$32,949).

DIVIDENDS

No dividend has been paid since the end of the previous financial year and no dividend is recommended for the current year.

REVIEW OF ACTIVITIES

A detailed review of the Company's activities during the financial year is set out in the section titled "Review of Exploration" in this Annual Report.

The Company has to date used its cash reserves in a way consistent with its business objectives as detailed in its Initial Public Offer Prospectus dated 20 February 2002.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

In the opinion of the Directors there were no significant changes in the state of affairs of the Company that occurred during the financial year under review except for:

- On 29 January 2002 shareholders of Heron Resources Limited approved the demerger of the Company from Heron Resources Limited. The Company issued 21,031,735 ordinary shares at a deemed issue price of 3.8 cents each to Heron Resources Limited as consideration for the sale of Heron Resources Limited's non-nickel laterite interests. These shares were then transferred to Heron Resources Limited shareholders as a pro-rata in-specie share distribution (at no cost) based upon 1 Company share for every 5 Heron Resources Limited shares held as at 5 February 2002.
- On 20 February 2002 the Company lodged a Prospectus with the Australian Securities and Investments Commission. The Company was admitted to the Official List of the Australian Stock Exchange Limited on 11 April 2002. The Company raised a total of \$7,000,000 pursuant to the Prospectus from the issue of 35,000,000 ordinary shares at 20 cents each. Trading in the Company's securities commenced on 15 April 2002.

OPTIONS OVER UNISSUED CAPITAL

Unlisted Options

During the financial year the Company granted the following unlisted options over unissued shares to Heron Resources Limited, employees of Heron Resources Limited, Directors, executive officers, and an employee:

Number of Options Granted	Exercise Price	Expiry Date
7,400,000 (i)	25 cents each	30 June 2006
1,900,000 (ii)	25 cents each	30 June 2006

(i) unlisted options have a 24 month vesting period prior to exercise which can occur after 10 April 2004.

(ii) unlisted options have a 24 month vesting period prior to exercise which can occur after 30 May 2004.

Of the above 2,100,000 unlisted options were issued pursuant to the rules of the Avoca Resources Limited Directors, Officers and Employees Option Plan ("the Plan"). Further details of the Plan are disclosed in Note 15 to the full financial report.

The above options represent unissued ordinary shares of the Company under option as at the end of the financial year and as at the date of this report. These unlisted options do not entitle the holder to participate in any share issue of the Company.

The holders of unlisted options are not entitled to any voting rights until the options are exercised into ordinary shares.

In addition to the above unlisted options the Board has approved to issue 300,000 unlisted options exercisable at 25 cents each to Mr R G Reynolds. The issue of these options is subject to shareholder approval proposed to be sought in November 2002.

The names of all persons who currently hold options granted under the Plan are entered in a register kept by the Company pursuant to Section 168(1) of the Corporations Act 2001, and the register may be inspected free of charge.

No person entitled to exercise any option under the Plan has or had, by virtue of the option, a right to participate in any share issue of any other body corporate.

Since 30 June 2002 no options have been exercised in respect of ordinary shares up until the date of this report.

Directors' Report continued

Avoca Resources Limited

EVENTS SUBSEQUENT TO BALANCE DATE

There has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the Directors of the Company to affect substantially the operations of the Company, the results of those operations or the state of affairs of the Company in subsequent financial years other than market announcements released to the Australian Stock Exchange Limited since balance date.

LIKELY DEVELOPMENTS AND EXPECTED RESULTS OF OPERATIONS

Likely developments in the operations of the Company are included elsewhere in this Annual Report. Disclosure of any further information has not been included in this report because, in the reasonable opinion of the Directors, to do so would be likely to prejudice the business activities of the Company.

ENVIRONMENTAL REGULATION AND PERFORMANCE

The Company holds various exploration licences and authorities to regulate its exploration activities in Australia. These licences include conditions and regulations with respect to the rehabilitation of areas disturbed during the course of its exploration activities.

So far as the Directors are aware, all exploration activities have been undertaken in compliance with all relevant environmental regulations.

INFORMATION ON DIRECTORS

As at the date of this report, the experience of the Directors and their interests in shares and options of the Company are as follows:

Director	Experience	Director's Interests in Ordinary Shares	Director's Interests in Unlisted Options
Robert G Reynolds	Non-Executive Chairman Appointed on 30 January 2002	200,000	-
Rohan I Williams	Managing Director Appointed on 25 September 2001	65,000	1,000,000
Ian J Buchhorn (i)	Non-Executive Director Appointed on 8 June 2001	7,134,870	200,000
Stephanie J Unwin	Non-Executive Director Appointed on 25 September 2001	49,500	200,000
Thomas D McKeith (ii)	Non-Executive Director Appointed on 3 July 2002	10,000	-

(i) Mr I J Buchhorn is the Managing Director of Heron Resources Limited and via his direct and indirect interests is a substantial shareholder of Heron Resources Limited. In addition to the above disclosed securities Heron Resources Limited holds 38 ordinary shares in the Company and 6,000,000 unlisted options exercisable at 25 cents each expiring on 30 June 2006.

(ii) Mr T D McKeith is a director of Gold Fields Australasia Pty Limited, which is a wholly-owned subsidiary of Gold Fields Limited. In addition to the above disclosed securities Gold Fields Australasia Pty Limited holds 7,500,000 ordinary shares in the Company.

Directors' Report continued

Avoca Resources Limited

DIRECTORS' MEETINGS

The number of meetings of the Company's Directors held in the period each Director held office during the financial year and the number of meetings attended by each Director were:

Director	Board of Directors' Meetings		Short Notice Meetings	
	Held	Attended	Held	Attended
R G Reynolds (Note A)	4	4	2	2
R I Williams (Note B)	7	7	8	8
I J Buchhorn	7	7	10	10
S J Unwin (Note B)	7	7	8	8
T D McKeith (Note C)	0	0	0	0
R G Colville (Note D)	0	0	2	2
R M Evans (Note E)	3	3	7	7
C L Readhead (Note F)	2	2	3	3

Note A - Mr R G Reynolds was appointed as a Director on 30 January 2002.

Note B - Mr R I Williams and Ms S J Unwin were appointed as Directors on 25 September 2001.

Note C - Mr T D McKeith was appointed as a Director on 3 July 2002.

Note D - Mr R G Colville resigned as a Director on 25 September 2001.

Note E - Mr R M Evans resigned as a Director on 29 January 2002.

Note F - Mr C L Readhead was appointed as a Director on 29 January 2002 and resigned as a Director on 20 February 2002.

During the financial year there were 7 general Directors' meetings for which formal notice of meeting was given. In addition, there were 10 Directors' meetings called for specific purposes.

DIRECTORS' & SENIOR EXECUTIVES' EMOLUMENTS

The Board of Directors is responsible for determining and reviewing compensation arrangements for the Directors and the executive team. The Board of Directors assesses the appropriateness of the nature and amount of emoluments of such officers on a periodic basis by reference to relevant employment market conditions with the overall objective of ensuring maximum benefit from the retention of a high quality Board and executive team. Such officers are given the opportunity to receive their base emolument in a variety of forms including cash and fringe benefits such as motor vehicles.

Remuneration of Non-Executive Directors is determined by the Board with the maximum amount approved by the shareholders from time to time.

Details of the nature and amount of each element of the emoluments of each Director of Avoca Resources Limited are as follows:

Director	Base Emolument \$	Superannuation Contributions \$	Other Benefits \$	Consultancy Fees \$	Total \$
R G Reynolds (Non-Executive Chairman) - Appointed 30 January 2002	19,338	1,547	-	-	20,885
R I Williams (Managing Director) - Appointed 25 September 2001	82,000	6,560	10,000	-	98,560
I J Buchhorn (Non-Executive Director) - Appointed 8 June 2001	-	11,472	15,000	-	26,472
S J Unwin (Non-Executive Director) - Appointed 25 September 2001	19,161	1,532	-	-	20,693
C L Readhead - Appointed 29 January 2002 and resigned on 20 February 2002	-	-	-	2,795	2,795

Directors' Report continued

Avoca Resources Limited

DIRECTORS' & SENIOR EXECUTIVES' EMOLUMENTS continued

Messrs R G Colville and R M Evans were Directors of the Company until their resignations on 25 September 2001 and 29 January 2002, respectively. Throughout this time the Company was a wholly-owned subsidiary of Heron Resources Limited and Heron Resources Limited paid Directors' fees to these individuals. The Company paid no Directors' fees to these Directors whilst engaged by the Company.

In addition Ms S J Unwin and Mr C L Readhead provided legal services to the Company further details of which are disclosed in Note 18 to the full financial report.

In addition to the above, unlisted options disclosed in the section "Options Over Unissued Capital" in the Directors' Report have also been granted as follows:

Director	Number of Options Issued *	Exercise Price	Expiry Date
R I Williams	1,000,000	25 cents each	30 June 2006
I J Buchhorn	200,000	25 cents each	30 June 2006
S J Unwin	200,000	25 cents each	30 June 2006

* Options granted as part of remuneration have been valued. No value has been ascribed to these options due to a number of inherent factors including that the exercise price was set at a 25% premium to the issue price of shares subsequently offered under the Initial Public Offer, all options are subject to a 24 month vesting period during which they cannot be exercised and the options are unlisted and cannot be transferred or traded. The Company's shares were not listed at the date of grant of these options hence there was no underlying share price or volatility factor.

Other than the Directors disclosed above there were no other executive officers who received emoluments during the financial year ended 30 June 2002 other than:

Executive	Base Emolument	Superannuation Contributions	Other Benefits	Consultancy Fees	Total
	\$	\$	\$	\$	\$
Geoffrey D Collis * (Exploration Manager)	42,500	2,890	11,500	2,000	58,890

* Geoffrey D Collis was appointed as an executive officer on 21 January 2002, prior to this time he was engaged as a consultant.

In addition to the above remuneration, 500,000 unlisted options have also been issued to Geoffrey D Collis pursuant to the rules of the Avoca Resources Limited Directors, Officers and Employees Option Plan ("the Plan"). The options are exercisable at 25 cents each and expire on 30 June 2006. The options have a 24 month vesting period expiring on 30 May 2004. No value has been ascribed to these options due to a number of inherent factors including that the exercise price was set at a 25% premium to the issue price of the shares offered under the Initial Public Offer, all options are subject to a 24 month vesting period during which they cannot be exercised and the options are unlisted and cannot be transferred or traded.

OFFICERS' INDEMNITIES AND INSURANCE

During the year the Company paid an insurance premium to insure certain officers of the Company. The officers of the Company covered by the insurance policy include the Directors named in this report.

The Directors and Officers Liability insurance provides cover against all costs and expenses that may be incurred in defending civil or criminal proceedings that fall within the scope of the indemnity and that may be brought against the officers in their capacity as officers of the Company. The insurance policy does not contain details of the premium paid in respect of individual officers of the Company. Disclosure of the nature of the liability cover and the amount of the premium is subject to a confidentiality clause under the insurance policy.

The Company has not provided any insurance for an auditor of the Company.

DATED at Perth this 26th day of September 2002.

Signed in accordance with a resolution of the Directors.



R G Reynolds
Chairman

Statement of Financial Performance

Avoca Resources Limited

for the year ended 30th June 2002

	Note	2002 \$	2001 \$
Other revenues from ordinary activities	2	49,508	-
Total revenue		49,508	-
Employee expenses		(143,859)	-
Depreciation expenses		(9,156)	-
Borrowing costs		(2,453)	-
Rental expense on operating leases		(19,339)	-
Non-Executive Directors' fees		(70,846)	-
Overheads and salaries recharged by Heron Resources Limited		(175,771)	(10,750)
Other expenses from ordinary activities		(192,132)	(22,199)
Loss from ordinary activities before related income tax expense		(564,048)	(32,949)
Income tax relating to ordinary activities		-	-
Net loss attributable to members of the Company	3	(564,048)	(32,949)
Basic earnings/(loss) per share (cents per share)	6	(3.4)	-
Diluted earnings/(loss) per share (cents per share)	6	(3.4)	-

The statement of financial performance is to be read in conjunction with the accompanying discussion and analysis and the notes to the concise financial report.

Statement of Financial Position

Avoca Resources Limited

as at 30th June 2002

	Note	2002 \$	2001 \$
CURRENT ASSETS			
Cash assets		5,277,781	10
Receivables		84,832	2,669
Other assets		24,279	-
TOTAL CURRENT ASSETS		5,386,892	2,679
NON-CURRENT ASSETS			
Property, plant and equipment and motor vehicles		79,872	-
Capitalised mineral exploration and evaluation expenditure		1,756,126	34,510
TOTAL NON-CURRENT ASSETS		1,835,998	34,510
TOTAL ASSETS		7,222,890	37,189
CURRENT LIABILITIES			
Payables		361,043	70,128
Provisions		9,909	-
TOTAL CURRENT LIABILITIES		370,952	70,128
TOTAL LIABILITIES		370,952	70,128
NET ASSETS/(LIABILITIES)		6,851,938	(32,939)
EQUITY			
Contributed equity		7,448,935	10
Accumulated losses	3	(596,997)	(32,949)
TOTAL EQUITY/(DEFICIENCY)	4	6,851,938	(32,939)

The statement of financial position is to be read in conjunction with the accompanying discussion and analysis and the notes to the concise financial report.

Statement of Cash Flows

Avoca Resources Limited

for the year ended 30th June 2002

	2002 \$	2001 \$
	Inflows/(Outflows)	
Cash flows from operating activities		
Interest received	49,508	-
Payments to suppliers and employees	(365,888)	(35,618)
Interest paid	(1,863)	-
Net cash used in operating activities	(318,243)	(35,618)
Cash flows from investing activities		
Payments for exploration and evaluation	(435,292)	(34,510)
Payments for plant and equipment and motor vehicles	(52,419)	-
Net cash used in investing activities	(487,711)	(34,510)
Cash flows from financing activities		
Proceeds from the issue of shares	7,000,000	10
Payments for transactions costs relating to the Initial Public Offer	(540,425)	-
Loan from Heron Resources Limited	485,000	70,128
Repayment of loan to Heron Resources Limited	(860,260)	-
Interest paid to Heron Resources Limited	(590)	-
Net cash provided by financing activities	6,083,725	70,138
Net increase in cash held	5,277,771	10
Cash at the beginning of the financial year	10	-
Cash at the end of the financial year	5,277,781	10

The statement of cash flows is to be read in conjunction with the accompanying discussion and analysis and the notes to the concise financial report.

Discussion and Analysis

Avoca Resources Limited

for the year ended 30th June 2002

STATEMENT OF FINANCIAL PERFORMANCE

The Company reported a full year operating loss after tax of \$564,048, compared to a loss of \$32,949 for the period 8 June 2001 (the date of incorporation) to 30 June 2001. The current year loss included salaries and overheads recharged from Heron Resources Limited totalling \$175,771 which related to the Company's preparation for listing on the Australian Stock Exchange and ongoing maintenance of the Company's exploration tenements. The Company was admitted to the Official List of the Australian Stock Exchange Limited on 11 April 2002 and trading of its securities commenced on 15 April 2002. Other expenditure items related to engaging new employees and consultants to implement the Company's business strategy as per its Initial Public Offer Prospectus dated 20 February 2002.

STATEMENT OF FINANCIAL POSITION

The cash position remained strong at the end of the financial year at \$5,277,781.

Capitalised exploration and development expenditure incurred during the year was \$1,721,616.

This expenditure included acquisition costs of \$1,144,148 which comprised the deemed consideration and stamp duty of \$832,110 relevant to the transfer of Heron Resources Limited's tenements under the Tenement Acquisition and Option Agreement, \$250,000 of vendor consideration with respect to tenements and tenement information acquired and forming part of the Initial Public Offer and \$62,038 for various applications to secure tenements located in the Eastern Goldfields and South Australia.

Project exploration of \$577,468 included the commencement in June 2002 of a drilling programme at the Wiluna South Project in the Eastern Goldfields. This first drilling programme undertaken by the Company has defined a new 700 metre long gold anomaly which is being further evaluated. Exploration expenditure was also incurred on the Company's Stuart Shelf Olympic Copper Gold Province in South Australia. This entailed identifying 14 target areas requiring further detailed geophysical and geochemical surveying. Diamond drilling of targets is due to commence in the second half of the calendar year. Ongoing exploration expenditure was also incurred in relation to managing the Company's extensive exploration portfolio.

Current liabilities increased at the end of 30 June 2002 due to increased exploration and operational activity compared to the prior period.

Share capital increased by \$7,448,925 during the financial year due to the issue of the following shares reduced by the Initial Public Offer expenses of \$564,783:

• 21,031,735 ordinary shares issued to Heron Resources Limited (and subsequently transferred to Heron Resources Limited shareholders) as consideration for acquiring tenements under the Tenement Acquisition and Option Agreement, at a deemed issue price of 3.8 cents	\$803,708
• 800,000 ordinary shares issued to Geotech International Pty Ltd at an issue price of 20 cents each as vendor consideration under the Initial Public Offer	\$160,000
• 200,000 ordinary shares issued to Desert Exploration Pty Ltd at an issue price of 20 cents each as vendor consideration under the Initial Public Offer	\$40,000
• 50,000 ordinary shares issued to Resource Mapping Pty Ltd at an issue price of 20 cents each as vendor consideration under the Initial Public Offer	\$10,000
• 35,000,000 ordinary shares issued under the Initial Public Offer Prospectus at an issue price of 20 cents each	\$7,000,000

As at the end of the financial year the Company had on issue 57,081,745 ordinary shares compared to the 10 ordinary shares on issue at the end of the prior period.

As at balance date, the Company had the following unlisted options on issue:

Number of Options Granted	Exercise Price	Expiry Date
7,400,000 (i)	25 cents each	30 June 2006
1,900,000 (ii)	25 cents each	30 June 2006

(i) unlisted options have a 24 month vesting period prior to exercise which can occur after 10 April 2004.

(ii) unlisted options have a 24 month vesting period prior to exercise which can occur after 30 May 2004.

Discussion and Analysis continued

Avoca Resources Limited for the year ended 30th June 2002

STATEMENT OF CASH FLOWS

Cash Flows From Operating Activities

The net cash outflows from operating activities of \$318,243 comprised interest earned on cash reserves following the Initial Public Offer funds, offset by the operating outflows in relation to the Company establishing its operational activities.

Cash Flows From Investing Activities

Exploration and evaluation cash flows of \$435,292 related primarily to acquisition costs and exploration activities related to securing and evaluating tenements in the Eastern Goldfields and South Australia.

Payments for asset acquisitions of \$52,419 related to motor vehicles and office and field exploration plant and equipment.

Cash Flows from Financing Activities

During the year the Company raised cash proceeds of \$7,000,000 pursuant to an Initial Public Offer Prospectus dated 20 February 2002, whereby the Company issued 35,000,000 ordinary shares at 20 cents each.

Following the completion of the Initial Public Offer, outflows of \$540,425 were incurred comprising advisory, underwriting and management fees of \$390,000 paid to DJ Carmichael Pty Limited and related entities, \$65,351 was paid for independent experts' reports and \$85,074 was paid for printing, despatch and regulatory compliance fees.

During the financial year and prior to the Company's listing on the Australian Stock Exchange, Heron Resources Limited loaned \$485,000 to the Company for the purpose of funding the Company's ongoing activities.

The loan was unsecured and provided interest free except for interest of \$590 incurred on the final loan amount advanced of \$85,000.

During the financial year Heron Resources Limited also recharged a total of \$305,722 of expenditure to the Company, comprising \$85,771 of administration salaries and on-costs, \$21,821 of exploration salaries and on-costs, \$90,000 of overheads, \$36,610 of fixed asset additions, \$36,545 of administration expenditure and \$34,975 of exploration expenditure.

Upon completion of the Initial Public Offer all monies owed to Heron Resources Limited were repaid as full and final settlement totalling \$860,850, which included interest of \$590. As at 30 June 2002 the Company owed no amounts in relation to the loan with Heron Resources Limited.

Notes to the Concise Financial Report

Avoca Resources Limited

for the year ended 30th June 2002

1. BASIS OF PREPARATION OF CONCISE FINANCIAL REPORT

The concise financial report has been prepared in accordance with the requirements of the Corporations Act 2001, Accounting Standard AASB 1039: Concise Financial Reports and applicable Urgent Issues Group Consensus Views.

The financial statements and specific disclosures required by AASB 1039 have been derived from the Company's full financial report for the financial year. Other information included in the concise financial report is consistent with the Company's full financial report. The concise financial report does not, and cannot be expected to, provide as full an understanding of the financial performance, financial position and financing and investing activities of the Company as the full financial report.

It has been prepared on the basis of historical costs and except where stated, does not take into account changing money values or fair values of non-current assets.

These accounting policies are consistent with those of the previous period.

The Company was incorporated on 8 June 2001 hence the comparatives relate to the period from incorporation to 30 June 2001.

A full description of the accounting policies adopted by the Company may be found in the Company's full financial report.

2. REVENUE

Revenue from operating activities

Interest revenue

	2002 \$	2001 \$
Interest revenue	49,508	-

3. ACCUMULATED LOSSES

Accumulated losses at the beginning of the year

Net loss attributable to members

Accumulated losses at the end of the year

Accumulated losses at the beginning of the year	32,949	-
Net loss attributable to members	564,048	32,949
Accumulated losses at the end of the year	596,997	32,949

4. TOTAL EQUITY RECONCILIATION

Total equity/(deficiency) at the beginning of the year

Add: Contributions of equity

Less: Cost of contributions of equity

Add: Share of operating loss

Total equity/(deficiency) at the end of the year

Total equity/(deficiency) at the beginning of the year	(32,939)	-
Add: Contributions of equity	8,013,708	10
Less: Cost of contributions of equity	(564,783)	-
Add: Share of operating loss	(564,048)	(32,949)
Total equity/(deficiency) at the end of the year	6,851,938	(32,939)

Notes to the Concise Financial Report

Avoca Resources Limited

for the year ended 30th June 2002

5. SEGMENT INFORMATION

The Company operates predominantly in one segment involved in the mineral exploration and development industry. Geographically the Company is domiciled and operates in one segment being Australia.

6. EARNINGS/(LOSS) PER SHARE

The following reflects the loss and share data used in the calculations of basic and diluted earnings/(loss) per share:

Earnings/(loss) used in calculating basic and diluted earnings/(loss) per share

2002 \$	2001 \$
(564,048)	(32,949)

Weighted average number of ordinary shares used in calculating basic earnings/(loss) per share:

Effect of dilutive securities

Share options

Adjusted weighted average number of ordinary shares used in calculating diluted earnings/(loss) per share

Number of Shares 2002	Number of Shares 2001
16,363,415	-
-	-
16,363,415	-

7. CONTINGENT LIABILITIES

There were no contingent liabilities not provided for in the financial statements of the Company as at 30 June 2002 other than:

Native Title and Aboriginal Heritage

Native title claims have been made with respect to areas which include tenements in which the Company has an interest. The Company is unable to determine the prospects for success or otherwise of the claims and, in any event, whether or not and to what extent the claims may significantly affect the Company or its projects. Agreement is being or has been reached with various native title claimants in relation to Aboriginal Heritage issues regarding certain areas in which the Company has an interest.

8. FULL FINANCIAL REPORT

Further financial information can be obtained from the full financial report which is available from the Company, free of charge, on request. A copy may be requested by calling the Company on (08) 9022 7625.

Directors' Declaration

Avoca Resources Limited

In the opinion of the Directors of Avoca Resources Limited the accompanying concise financial report of Avoca Resources Limited for the year ended 30 June 2002, set out on pages 28 to 34.

- (a) has been derived from or is consistent with the full financial report for the financial year; and
- (b) complies with Accounting Standard AASB 1039: Concise Financial Reports.

This declaration is made in accordance with a resolution of the Directors.

Signed at Perth this 26th day of September 2002.



R G Reynolds
Chairman

Independent Audit Report to the Members of Avoca Resources Limited

Scope

We have audited the concise financial report of Avoca Resources Limited ("the Company") for the financial year ended 30 June 2002, as set out on pages 28 to 35, in order to express an opinion on it to the members of the Company. The Company's Directors are responsible for the concise financial report.

Our audit has been conducted in accordance with Australian Auditing Standards to provide reasonable assurance as to whether the concise financial report is free of material misstatement. We have also performed an independent audit of the full financial report of Avoca Resources Limited for the year ended 30 June 2002. Our audit report on the full financial report was signed on 26 September 2002, and was not subject to any qualification.

Our procedures in respect of the audit of the concise financial report included testing that the information in the concise financial report is consistent with the full financial report and examination, on a test basis, of evidence supporting the amounts, discussion and analysis, and other disclosures which were not directly derived from the full financial report. These procedures have been undertaken to form an opinion whether, in all material respects, the concise financial report is presented fairly in accordance with Accounting Standard AASB 1039: Concise Financial Reports applicable in Australia.

The audit opinion expressed in this report has been formed on the above basis.

Audit opinion

In our opinion the concise financial report of Avoca Resources Limited for the year ended 30 June 2002 complies with AASB 1039: Concise Financial Reports.



Butler Settineri
Chartered Accountants



Colin P Butler
Partner

Perth
26 September 2002

ASX Additional Information

Avoca Resources Limited

Pursuant to the Listing Requirements of the Australian Stock Exchange Limited, the shareholder information set out below was applicable as at 20 September 2002.

A. Distribution of Equity Securities

Analysis of numbers of shareholders by size of holding:

Distribution	Number of Shareholders
1 – 1,000	423
1,001 – 5,000	616
5,001 – 10,000	424
10,001 – 100,000	580
More than 100,000	46
Total	2,089

There were 894 holders of less than a marketable parcel of ordinary shares.

B. Substantial Shareholders

An extract of the Company's Register of Substantial Shareholders (who hold 5% or more of the issued capital) is set out below.

Shareholder Name	Issued Ordinary Shares	
	Number of Shares	Percentage of Shares
Gold Fields Australasia Pty Ltd	7,500,000	13.1%
I J Buchhorn and related entities	7,134,870	12.5%
OMG Cawse Pty Ltd	3,178,062	5.6%
Redsummer Pty Ltd	2,871,942	5.0%

ASX Additional Information continued

Avoca Resources Limited

C. Twenty Largest Shareholders

The names of the twenty largest holders of quoted shares are listed below:

Shareholder Name	Listed Ordinary Shares	
	Number	Percentage Quoted
Gold Fields Australasia Pty Ltd	7,500,000	15.22%
OMG Cawse Pty Ltd	3,178,062	6.45%
Redsummer Pty Ltd	2,901,540	5.89%
HSBC Custody Nominees (Australia) Limited	1,500,000	3.04%
Commonwealth Custodial Services Limited	1,450,000	2.94%
Resources Cap Fund II LP	800,000	1.62%
Koltai Holdings Pty Ltd	615,135	1.25%
Jayleaf Holdings Pty Ltd	510,000	1.03%
Kurana Pty Ltd <Buchhorn Unit Fund>	500,000	1.01%
Mannwest Pty Ltd	500,000	1.01%
John and Shirley Flaus	497,846	1.01%
Equity Underwriters Limited	400,000	0.81%
James William Dudley	377,100	0.76%
Luana Marie Cutifani	250,000	0.51%
Denis John Reynolds	250,000	0.51%
Ufar Pty Ltd	212,000	0.43%
Robert Lawrence Hawke	202,666	0.41%
Baracus Pty Ltd	200,000	0.41%
JAB Holdings Pty Ltd	200,000	0.41%
Kamala Holdings Pty Ltd	200,000	0.41%
	22,244,349	45.13%

ASX Additional Information continued

Avoca Resources Limited

D. Unquoted Equity Securities Shares

Shareholder Name	Number of Shares	Escrow Expiry Date
Kurana Pty Ltd <Buchhorn Unit Fund>	5,385,000	10 April 2004
Geotech International Pty Ltd	800,000	10 April 2003
Ian James Buchhorn	512,071	10 April 2004
Manorina Mining Pty Ltd	363,660	10 April 2004
Pamela Jean Buchhorn	303,999	10 April 2004
Desert Exploration Pty Ltd	200,000	10 April 2003
Rogo Investments Pty Ltd	100,000	10 April 2004
Resource Mapping Pty Ltd	50,000	10 April 2003
Mr Peter William Ficko	22,500	10 April 2004
Mr Robert Colville and Mrs Marilyn Joy Colville <RG & MJ Colville Super Account>	18,000	10 April 2004
Elizabeth Heather Williams	15,000	10 April 2004
Daphne Mina Buckhorn	10,000	10 April 2004
Mrs Marilyn Colville	10,000	10 April 2004
Roderick John Unwin	2,000	10 April 2004
Heron Resources Limited	38	10 April 2004
	7,792,268	

Unlisted Options

Optionholder Name	Number of Unlisted Options	Escrow Expiry Date
Heron Resources Limited – exercisable at 25 cents each – vesting period 24 months	6,000,000	10 April 2004
Mrs Elizabeth Heather Williams – exercisable at 25 cents each – vesting period 24 months	1,000,000	10 April 2004
Mr Peter William Ficko – exercisable at 25 cents each – vesting period 24 months	200,000	10 April 2004
Mr Ian James Buchhorn – exercisable at 25 cents each – vesting period 24 months	200,000	10 April 2004

E. Voting Rights

In accordance with the Company's Constitution, voting rights in respect of ordinary shares are on a show of hands whereby each member present in person or by proxy shall have one vote and upon a poll each share shall have one vote.





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