

21 April 2006

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Company Announcements Office
Australian Stock Exchange Limited
4th Floor
20 Bridge St
SYDNEY NSW 2000

Dear Sir/Madam,

THIRD QUARTER ACTIVITIES REPORT

We attach the above announcement.

Yours faithfully,



Rohan Williams
Managing Director



Quarterly Report for the three months ending 31 March 2006

March Quarter Highlights

- As part of the Definitive Feasibility Study (DFS) on the Trident Gold Project at Higginsville, dewatering of the historic underground workings at Poseidon South was approximately 30% complete by the end of the quarter. It is anticipated refurbishment of the historic underground workings will commence in early June immediately following the completion of the dewatering. Open pit and underground geotechnical studies, along with hydrogeological and environmental studies relating to the DFS also commenced during the quarter. **The Company remains on track for gold production from Trident in the second half of 2006.**
- Avoca secured three key mining appointments during the quarter, including Mr. Tony James who has commenced as Avoca's General Manager – Mining. A site-based mine engineering supervisor overseeing the mine dewatering, refurbishment of existing underground development and commencement of capital development to Trident, along with a specialist mine design engineer were also recruited.
- The Athena Lodes were confirmed as **the second significant discovery at Higginsville**. The Athena Lodes lie immediately west of the Western Zone at Trident and can be followed over a 500m long plunge direction and remain open at depth. Better drill results for the quarter from Athena include:
 - **5m @ 34 g/t gold from 404m in HIGD077 (new result - not previously released)**
 - **3m @ 63 g/t gold from 449m in HIGD076**
 - **3m @ 18 g/t gold from 420m in HIGD070**
- Resource estimation studies for the Athena Lodes and several near surface zones of mineralisation commenced during the quarter.
- Two regional RAB / aircore drill programs involving 93 holes for over 3,300m 1km north of Trident, and a large 380 hole program 10km north-west of Trident over the André target commenced during the March quarter.
- Additional aircore and diamond drilling is planned to test several targets defined by coincidence of strong near surface gold anomalism and altered lithologies from the Zuleika South joint venture with Barrick Gold, immediately east of Higginsville.
- **Avoca has either a 40% or 20% joint venture interest in each of Encounter Resources Limited's 14 uranium projects throughout Western Australia.** Encounter is planning to commence drill testing on the Lake Way South and Yeelirrie Channel Projects in the June quarter.

1. WA Projects (100% AVO)

1.1 Higginsville Gold Project

The 178km² Higginsville Gold Project is located mid-way between the regional mining centres of Kambalda and Norseman in Western Australia's Eastern Goldfields. In late 2004, the Company made a significant gold discovery at Trident, located 200m north of underground workings associated with the previously mined out Poseidon South open pit. Subsequently, Avoca announced a 485,000 ounce JORC-compliant resource estimate for the Western and Eastern Zone parts of the Trident deposit. A pre-feasibility study was then completed and demonstrated that at a gold price of \$AUD620 per ounce, the Trident gold project could produce 364,000 ounces over a 5 year mine life.

Shortly after the completion of the pre-feasibility study on the Western and Eastern Zones of Trident, Avoca announced that it had discovered the Athena Lodes which are located immediately west of the Western Zone. The Athena Lodes are characterised by a laminated vein array that contains abundant coarse gold, and has delivered some of the highest grade intersections recorded in the Eastern Goldfields of Western Australia for many years.

During the March quarter, Avoca continued drilling the Athena Lodes, completing 13 oriented diamond drill holes for 4,926m, as well as commencing a regional 15,000m reconnaissance drilling program over the prospective André target located approximately 10km north-west of Trident.

1.1.1 Trident Definitive Feasibility Study

The Company continued with its Definitive Feasibility Study (DFS) during the quarter and commenced geotechnical, hydrogeological and environmental studies.

In addition two key milestones were achieved during the quarter:

- (i) Recruitment of key mining personnel including Mr. Tony James as Avoca's General Manager – Mining. Prior to joining Avoca, Mr. James was LionOre's General Manager of Mining. Mr. James has held senior operational management roles at the Black Swan nickel mine, Kanowna Belle gold mine, Lennard Shelf lead and zinc mines and the Telfer gold mine. Mr. James' role at Avoca is to oversee the completion of the DFS and manage the transition to gold production later this year. In addition Avoca has recruited a site-based supervisor who will be responsible for the on-site management of the dewatering and subsequent underground refurbishment and capital development programs for Trident. The Company has also secured a specialised mine design engineer who will work with Mr. James to develop the optimum mine design for the Trident production phase.
- (ii) Commencement of dewatering the underground workings at the north end of the Poseidon South open pit occurred late in the quarter. The dewatering is required for development access to the Trident deposit. Approximately 100,000m³ of water is being pumped from the north end of the pit to the south end of the pit at a rate of approximately 40 litres per second (see Figures 1 and 2). By the end of the quarter, approximately 30% of the water had been pumped from the north end of the pit. It is anticipated pumping will be complete by the end of May which will lead immediately into the refurbishment of the existing underground workings.

The Company remains on track to produce gold from Trident in the second half of 2006.



Figure 1: Photo mosaic looking south at the Poseidon South open pit. The water in the foreground (north end of the pit) is currently being pumped into the sub-pit in the background of the photo (south end of the pit) to allow refurbishment of the underground workings prior to Avoca commencing development to the Trident deposit.

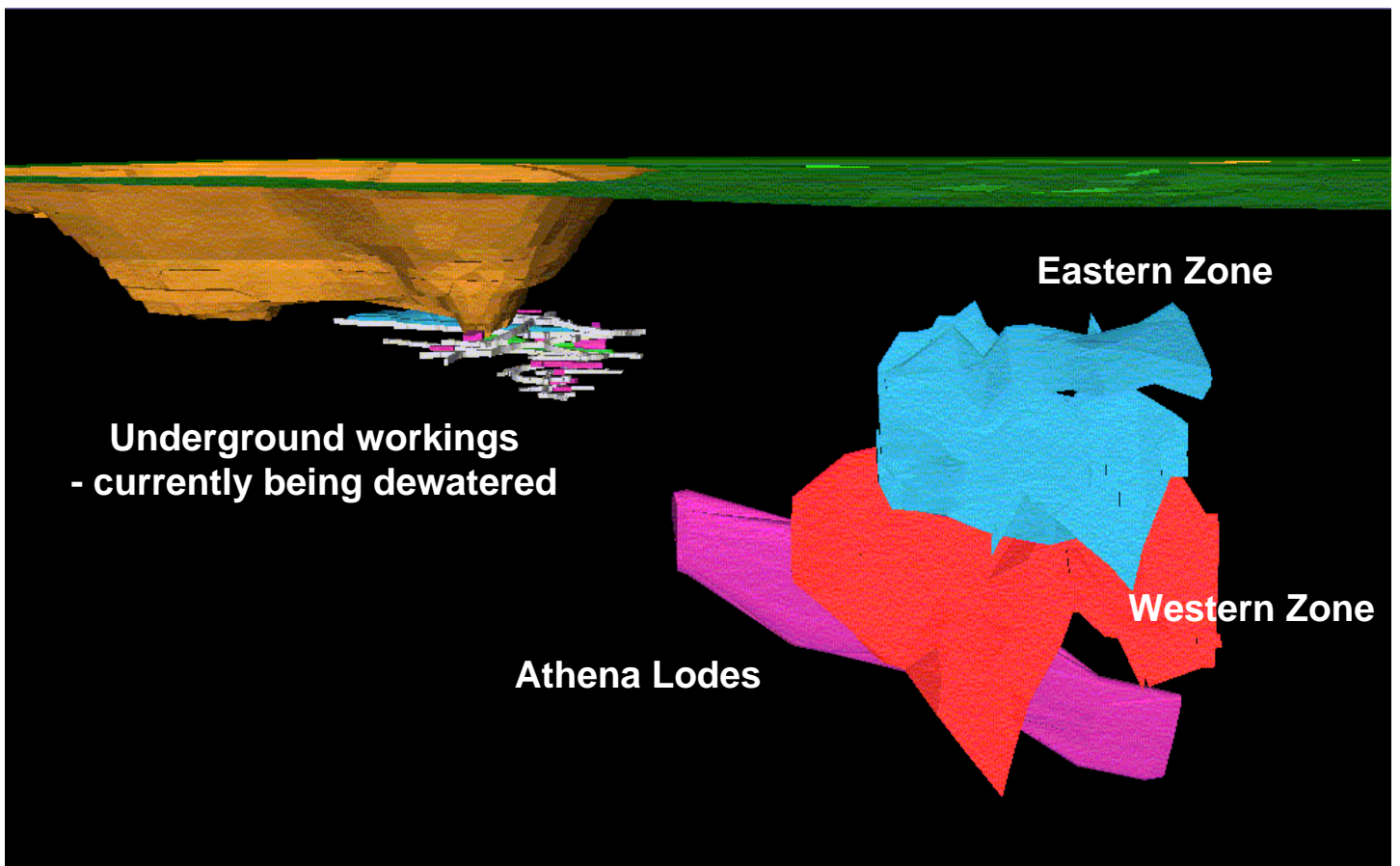


Figure 2: Schematic figure showing the location of the underground workings (currently being dewatered) 150m south of the Trident deposit comprising the Eastern Zone (blue), the Western Zone (red) and the Athena Lodes (pink). Note north is to the right of the image, and south to the left.

1.1.2 Athena Confirmed as Second Discovery

Ongoing drilling during the quarter confirmed that the Athena Lodes are the second significant discovery at Higginsville after the Western Zone mineralisation.

The Athena Lode mineralisation has been intersected in 25 oriented diamond drill holes over a plunge extent of in excess of 500m, and remains open at depth. Significantly the Athena mineralisation lies within 150m from existing underground development.

The mineralisation of the Athena Lodes comprises predominantly two sub-vertical laminated veins with dip extents in the order of 100m, along with at least two sub-horizontal veins that form "links" in between the two sub-vertical veins. The combined vein array of steep and flat veins appear to be similar to the style of mineralisation seen in the Norseman field located 50km south of Higginsville.

New results from the Athena Lodes for the quarter include:

- **5m @ 34 g/t gold (not previously released)**
- **3m @ 63 g/t gold**
- **3m @ 18 g/t gold**
- **4m @ 8 g/t gold**
- **16m @ 3 g/t gold**

The Athena Lodes appear to be significantly thicker than other gold-bearing laminated veins observed in the Eastern Goldfields. To date, approximately 50% of all the Athena intersections have a quartz vein true thickness in excess of 5m.

Figure 3 is a long section of the drill intersection results from the Athena Lodes over the 500m long plunge extent.

Drill results of Athena from the March quarter are shown in Table 1.

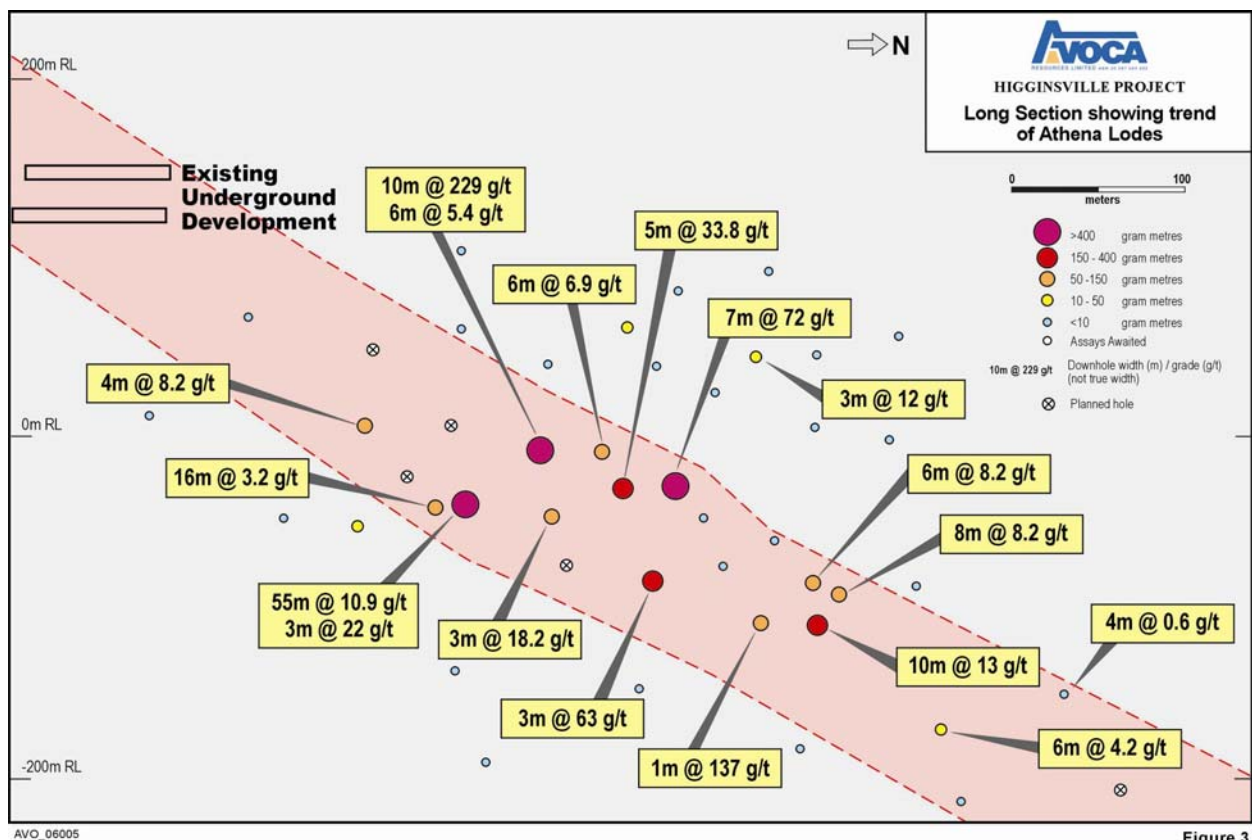


Figure 3: Long section of Athena Lodes mineralisation trend over a 500m plunge extent.

Hole ID	Northing (m)	Easting (m)	From (m)	To (m)	Interval (m)	Grade (g/t gold)	Comment
HIGD076	6489280	379530	449	452	3	63.0	Athena AW3
			476	478	2	3.9	Athena AW1
			476	478	2	9.3	Athena AW1
HIGD077	6489235	379555	404	409.2	5.2	33.8	Athena AW1
			441	450	9	2.5	Western Zone
HIGD070	6489240	379530	420	423	3	18.2	Athena AW3
			439	440	1	10.3	Athena AW1
			439	440	1	27.9	Athena AW1
HIGD074	6489240	379610	129	130	1	8.8	Western Main Vein
			278	281	3	3.7	Athena AW3
			305	373	68	3.0	Western Zone
			305	373	68	4.4	Western Zone
			404	406	2	3.8	Western Zone
HIGD075	6489162	379598	385	401	16	3.2	Athena AW1&3
			352	356	4	8.2	Athena Flat
HIGD060	6489100	379965	393	401	8	2.2	Athena AW3
			475	476	1	8.3	Athena
HIGD066	6489438	379528	544	550	6	4.2	Athena AW1
			474	477	3	1.3	Athena AW3
HIGD067	6489314	379530	509	510	1	3.1	Athena AW1
			578	582	4	0.6	Athena AW1
RED600	6489480	380100	578	582	4	0.6	Athena AW1
HIGB014	6490200	379845	34	36	2	2.8	Trident North

Table 1: Drill results from Athena and the Western Zone during the March quarter.

1.1.3 Resource Update for Higginsville

The Company has commenced a resource update for Higginsville including re-estimating several of the near-surface resources previously defined by a previous operator, but deemed un-economic at a time when the gold price was \$AUD450 per ounce. Avoca intends to re-estimate the resources using modern estimation techniques and run open pit optimisation models on the resources to determine the economic viability of commencing mining operations on these defined resources.

Avoca also commenced the initial resource estimate of the Athena Lodes during the quarter. Some minor delays have been experienced in securing resource consultants, and the Company anticipates releasing the Athena resource estimate along with an updated Higginsville resource in the first half of May.

The existing August 2005 resource estimate for Higginsville stands at 6 million tonnes at 3.5 g/t gold for 664,000 ounces.

1.1.4 Exploration Update at Higginsville

In addition to the ongoing diamond drilling at Trident, the Company commenced a 380 hole RAB / aircore program for approximately 15,000m over the prospective André target. By the end of the quarter 40 holes had been completed. Assay results are awaited.

A 93 hole RAB program for 3,387m was also completed approximately 1km north of Trident during the quarter. The best intersection recorded 2m at 2.8 g/t from a quartz-veined and biotite altered sheared mafic in hole HIGB014. The mineralised drill hole lies along the interpreted northern continuation of the mineralised Poseidon South - Trident trend. One RC hole was drilled beneath the HIGB014 intersection and intersected a sub-grade 5m quartz vein. Further work is required to identify near surface oxide potential at this location.

No work was completed on the Higginsville regional projects reported in the December quarterly report due to efforts being focused on the Trident DFS, the Athena resource estimate and ongoing drilling of the Athena Lodes.

2. SA Projects (100% Avoca)

During the quarter Teck Cominco Australasia Pty Ltd advised the Company that it would not exercise its option to joint venture into the Port Julia copper-gold project located on the Yorke Peninsula in South Australia.

The Company will undertake a detailed gravity survey around the historic Hillside copper-gold mine which produced a small parcel of very high grade copper and gold ore (10% - 30% copper) from two shafts in the period 1916 to 1930. A composite sample of mineralised haematite breccias found on mine dumps adjacent to the shaft collars by Avoca in 2005 returned a grade of **23% copper, 2.2 g/t gold and 49 g/t silver**.

3. Joint Venture Projects

The Company has an extensive joint venture portfolio comprising 11 separate joint ventures throughout Western Australia including the **Encounter Resources joint venture which provides Avoca with between a 40% and 20% interest in each of Encounter's 14 uranium projects**.

The majority of joint ventures provide the incoming-party with the right to earn a majority interest in the respective joint venture project. Avoca can contribute to future expenditure based on its retained interest, or elect to have a reduced interest free-carried until such time as the incoming party makes a decision to mine. This form of joint venture strategy provides Avoca with an outstanding leverage to exploration success at no cost to the Company.

In addition to the 11 joint ventures in the following table, the Company continued joint venture discussions relating to the Company's Jimberlana Nickel – PGM Project.

JV Partner	Project	Earn-in
Barrick Gold	Zuleika South	earning 51%
Mines and Resources Aust.	Mungari	earning 51%
Integra Mining	Cowarna	earning 80%
Metex / Placer Dome	Laverton	earned 70%
Metex / Placer Dome	Mt Morgans	earned 80%
Vulcan	Edjudina	earning 80%
Great Gold Mines	South Laverton	earned 80%
Regal Resources	Mt Goose	earning 80%
Teck Cominco	Kalgoorlie East	earning 70%
Encounter Resources	Lake Way Uranium	earning 60%
Encounter Resources	WA-based uranium portfolio	earning 80%

Table 2: Avoca's extensive joint venture portfolio.

3.1 Barrick Gold Zuleika South JV

Barrick Gold earning 51% after spending \$3.0M

The Barrick Gold Zuleika South joint venture covers a 40km strike extent of the under-explored, yet highly endowed Zuleika and Boulder Lefroy Shear Zones situated between the Higginsville and St Ives Gold camps.

Activity during the March quarter focussed on completing interpretation of final assay results and mineralogical analyses from aircore drilling completed in the December quarter. Several target areas defined by the coincidence of highly anomalous assay results and altered lithologies will be the focus of additional aircore drilling and diamond drilling early in the June quarter when a suitable drill rig becomes available.

Compilation of historical regional exploration activity has identified what was previously called the Barcelona Prospect located approximately 4.5km north of Trident within the joint venture tenure. Field checking during the quarter was completed along with mineralogical analyses taken on several of the historic drill holes. Results from the mineralogical analyses is awaited.

3.2 Teck Cominco Kalgoorlie East JV

Teck Cominco earning 70% after spending \$1.5M

Teck Cominco completed two RAB programs totalling 97 holes for 3,916m over previously defined geochemical anomalism. Drilling was completed at a 200m x 100m grid and intersected up to 0.3 g/t gold. Follow up work will be undertaken in the June quarter.

3.3 Encounter Resources Limited Western Australian Uranium JV

Encounter Resources earning 60% of the Lake Way South Uranium Project. Avoca retains a 20% interest in all of Encounter's other uranium projects.

Encounter Resources Limited (Encounter) listed on the ASX on 24 March 2006 as a uranium exploration and development company. Each of Encounter's 14 uranium projects are subject to a joint venture with Avoca, wherein Encounter:

- (i) is earning a 60% interest in the uranium rights of Avoca's Lake Way project, south of Wiluna in Western Australia, and contiguous with Nova Energy Limited's Centipede Uranium Deposit, and
- (ii) retains an 80% interest and Avoca a 20% interest in each of Encounter's 13 other projects. Avoca's 20% interest is free-carried until April 2007, after which time Avoca can contribute pro-rata or dilute its interest to 5%, at which time its interest converts to a 1% NSR.

Encounter is planning to commence a 120 aircore drill hole program testing for strike continuation of the mineralised trends associated with the Centipede and Lake Way uranium deposits during the June quarter. Figure 4 below shows the proposed drill hole location of the impending drilling program.

In addition Encounter is planning on drill testing the Bellah Bore East and Middle Bore targets within the larger Yeelirrie Channel Project in May.

Compilation of historical drill results from the Hillview Project, located 50km south-east of Meekatharra has identified a 15km long near-surface zone of low grade mineralisation where grades have been estimated at between 100 – 200 ppm *U_3O_8 . Lying adjacent to the main low grade channel trend lies an area where previous drilling returned high grade results including:

- 0.5m @ 970 ppm *U_3O_8
- 0.5m @ 865ppm *U_3O_8
- 0.3m @ 1001ppm *U_3O_8

** Note quoted levels of U_3O_8 were estimated by down hole gamma logging*

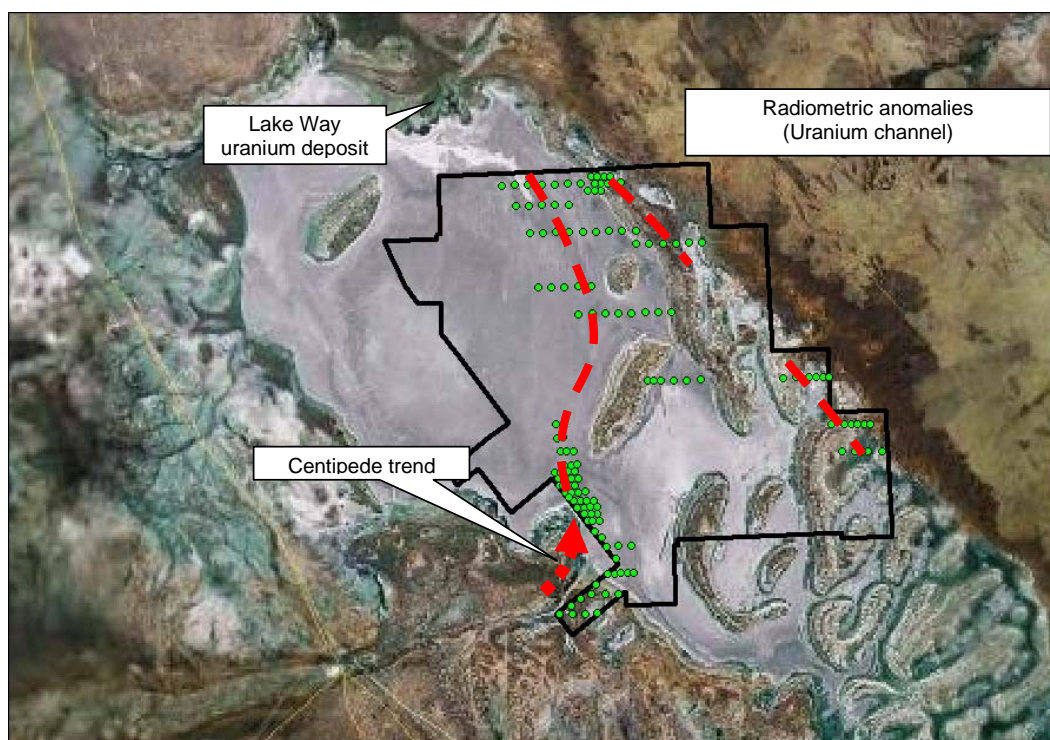


Figure 4: Planned drilling on Lake Way Project (Encounter earning 60%)

4. Corporate

4.1 Shareholders

The Company's top 5 shareholders as at 31 March 2006 are shown below in Table 3.

Shareholder	% of Issued Capital
ST IVES GOLD MINING CO PTY LTD AND GOLD FIELDS AUSTRALASIA PTY LTD	13.75%
WESTPAC CUSTODIAN NOMINEES	5.93%
HSBC CUSTODY NOMINEES	3.54%
NATIONAL NOMINEES	3.42%
CITICORP NOMINEES PTY LIMITED	3.20%

Table 3: Avoca's top 5 shareholders as at 31 March 2006.

**Note St Ives Gold Mining Co Pty Ltd and Gold Fields Australasia Pty Ltd are both wholly owned subsidiaries of Gold Fields Limited.*

The total number of ordinary fully paid shares quoted on the ASX as at 31 March 2006 is 145,839,348.

4.2 Priority Allocation in Encounter IPO

Avoca shareholders were offered a priority allocation of 5,000,000 shares in the Encounter Resources Limited IPO prior to its listing on the ASX during the quarter. The IPO was heavily oversubscribed, and consequently the Encounter directors had to cut back all shares subscribed for.

Shortly following its listing, the Encounter share price dramatically increased to in excess of four times the 20c issue price resulting in a significant return to the Avoca shareholders that subscribed to the IPO.

The priority allocation was in part recognition for Avoca management assisting Encounter develop its uranium project portfolio.

5. Finance

At 31 March 2006, the Company had cash reserves of \$7.9 million.

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 and Mr Chris Newman who are both Members of the Australasian Institute of Mining and Metallurgy. Messrs Williams 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 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.