

25 July 2007

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

VIA: www.asx.online.com

Dear Sir/Madam,

COMPLETION OF ACQUISITION OF CHALICE AND HIGGINSVILLE GOLD PROJECTS

Avoca Resources Limited (**Avoca**) is pleased to announce that Completion has been achieved in respect of the acquisition of the Chalice and Higginsville Gold Projects from Chalice Gold Mines Limited (**CGM**), as approved by Avoca Shareholders on 29 June 2007. In accordance with the terms of the sale and purchase agreement between Avoca and CGM, Avoca has today issued to CGM 3,496,503 fully paid shares (issued at \$1.43 per share), together with 2,000,000 3 year options to acquire fully paid shares with a conversion price of \$1.79 (together **Tranche 1**). Avoca will issue a further \$0.84 million of Avoca fully paid shares upon completion of certain terms (**Tranche 2**), which is anticipated being met within 10 months.

Avoca will commence exploration on the Chalice-region tenements in August focussing on upgrading the existing 79Koz high grade Inferred Resource beneath the Chalice pit, and drill testing targets within previously unexplored regions of the Chalice Gold Belt.

Yours faithfully,
AVOCA RESOURCES LIMITED



Rohan Williams
Managing Director