

28 October 2010

Company Announcements Office
Australian Stock Exchange Limited
20 Bridge Street
SYDNEY NSW 2000

AUSTRALASIA CONSOLIDATED LIMITED QUARTERLY ACTIVITIES REPORT SEPTEMBER 2010

HIGHLIGHTS

- Enters into a purchase option agreement with Nextstar Pty Ltd to conduct exploration program on WA goldfields tenement.
- Drilling on Company's tenement commences under the Murninnie Uranium Joint Venture.
- Appoints Bob Browning as CEO and Bryant Plavsic as CFO.

LAVERTON GOLD PROJECT, WESTERN AUSTRALIA

On 13 September 2010 the Company announced it had entered into an agreement to acquire Nextstar Pty Ltd's interest in a highly prospective tenement in the Laverton Goldfields of Western Australia. Work so far has concentrated on a geophysical interpretation of a recently flown aeromagnetic and radiometric survey at 25 metre terrain clearance and 40 metre line spacing.

Interpreted structure can generally be described as a series of North-South trending folds associated with east verging thrusts. The main thrust is interpreted to pass down the axis of tenement P38/3313 (Figure 1), bifurcating near the northern boundary and continuing north through the tenement.

A 2,000 metre RC drill program required to be undertaken under the agreement with Nextstar Pty Ltd is intended to target interpreted location of the main thrust through P38/3313. Drilling is planned to commence at the end of October 2010.

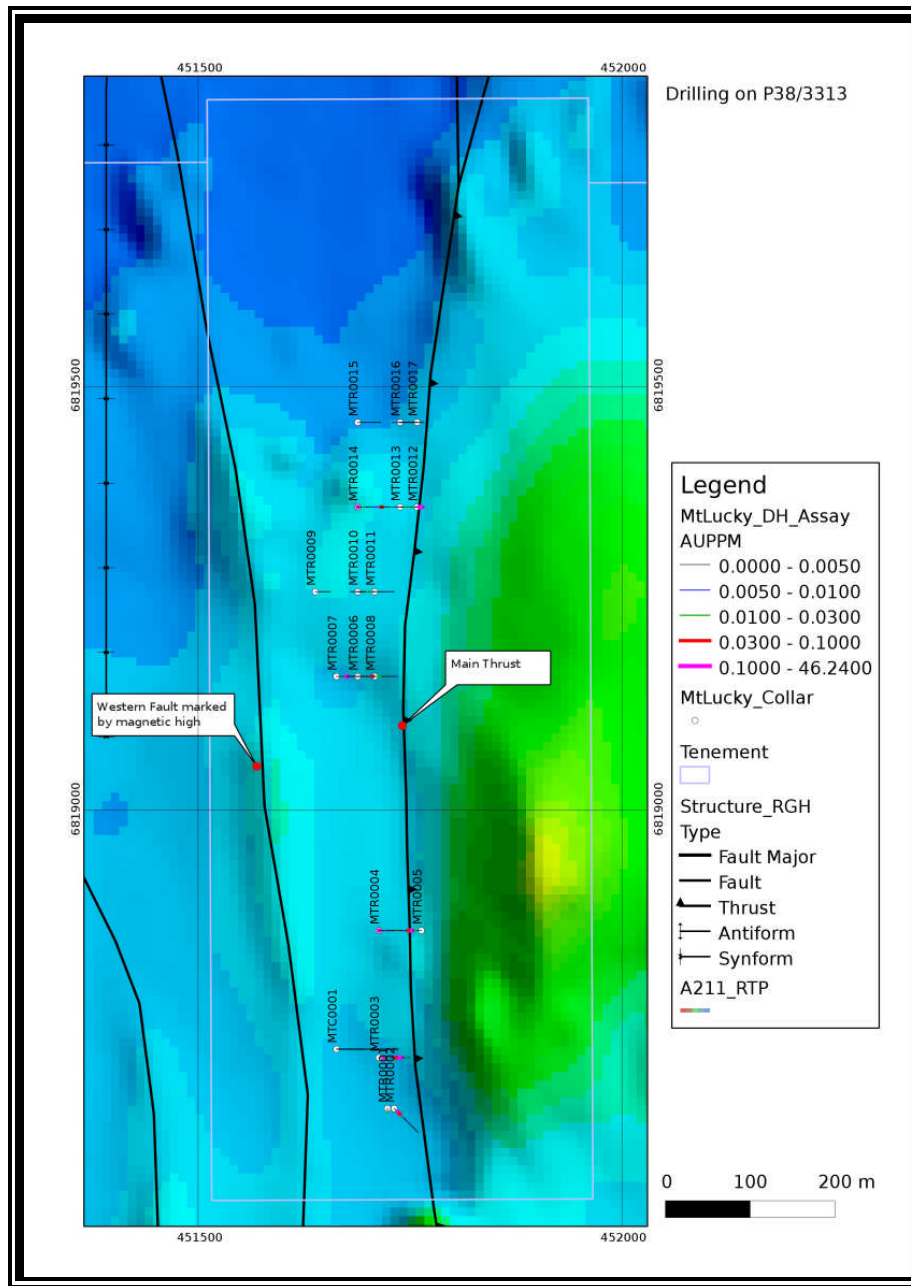


Figure 1: P38/3313, Mt Lucky interpreted structure map

MURNINNIE URANIUM JOINT VENTURE, GAWLER CRATON, SOUTH AUSTRALIA

The Murninnie Uranium JV Ground is located within Uranium SA's (ASX : USA) Mullaquana project area, 20km south of the industrial city of Whyalla on the eastern Eyre Peninsula. This project area contains USA's Blackbush Prospect on which USA has reported an Inferred Mineral Resource of 12 million tonnes at 0.02% U₃O₈ with an estimated 2,700 tonnes contained U₃O₈.

The Company's tenement, EL3542 lies south west of the three sedimentary USA uranium discoveries (Blackbush, Samphire and Plumbush). The sediment hosting the Plumbush deposit has been interpreted to trend into EL3542.

Regional drilling on EL3542 has progressed with 6 holes being completed in the September 2010 quarter for a total of 732 metres. The exploration has concentrated on the south eastern boundary of tenement EL3542 (Figure 2) targeting the sedimentary uranium mineralisation interpreted from geological and geophysical interpretation.

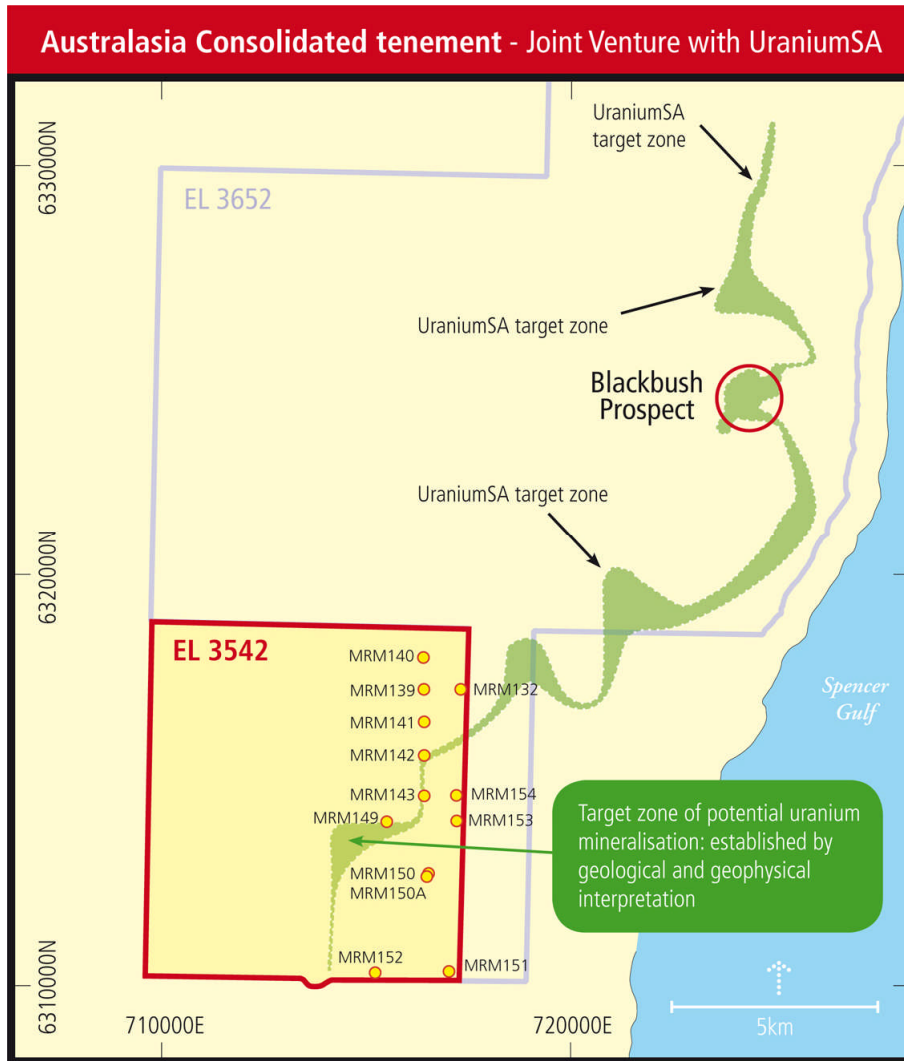


Figure 2: Drill hole location plan

GLENCOE GOLD DEPOSIT, NORTHERN TERRITORY

No on-ground exploration was undertaken on the Northern Territory assets during the September 2010 quarter. However, the company has continued to build up the value of this asset by recently

commencing metallurgical test work on the diamond core from the 2008-2009 drilling programme. The aim of the test work is to calculate gold recovery via a Cyanidable Leach & Flotation process. The work will be progressed in 2 stages, viz:

Stage 1 - Comminution Testwork :

- Bond Abrasion Index Test
- Bond Ball Mill Work Index Test
- Bond Rod Mill Work Index Test

Stage 2 - Leach and Float Testwork :

- Carbon in Leach (CIL) test analysis of master composite @ three grind sizes
- Diagnostic leach test analysis on a selected leach test tails sample
- Cyanide leach test analysis of float tails
- Diagnostic leach test analysis on a selected leach test tails sample

APPOINTMENT OF CEO AND CFO

On 25 October 2010 the Company announced the appointments of Mr Bob Browning as Chief Executive Officer and Bryant Plavsic as Chief Financial Officer.

Mr Browning will assume the role of CEO effective 16 November 2010 following Mr Plavsic's commencement with the Company on 1 November 2010. They will jointly drive the Company's recently announced strategy to generate shareholder value through new acquisitions and driving asset performance to full potential.

Mr Browning and Mr Plavsic will work closely with the recently formed Advisory Group within AAO which reports direct to the Board. Advisory Group members include Mr Mark Barnaba (Chairman), Mr John Akehurst and Mr John Willinge.

The executive appointments and finalisation of the Advisory Group has created the foundation for the Company's previously announced strategy to identify, evaluate, finance and acquire outstanding, value-creating assets.

FINANCE

At 30 September 2010 the Company had available cash totalling \$3,335,000.

Exploration and evaluation expenditure for the quarter was \$31,000.

Attached is a copy of the Company's Mining Exploration Entity Quarterly Report (Appendix 5B) in accordance with Listing Rule 5.3.

Competent Person Statement

The information in this report that relates to Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Nicholas Revell who is a member of the Australasian Institute of Mining & Metallurgy.

Mr Revell is an employee of Australasia Consolidated Limited and has sufficient experience relevant to the styles of mineralisation under consideration and to the subject matter of the report to qualify as a Competent Person as defined in the 2004 edition of the Australasian Code for the Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code).

Mr Revell consents to the inclusion in the report of the matters based on his information in the form and context in which they occur.

COPROPRATE DIRECTORY

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 ASX Code: AAO

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 BALCATTWA 6021

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 BALCATTWA 6914

Website

www.australasiaconsolidated.com.au

Directors & Senior Management

Nick Revell
 Executive Director

John Terpu
 Chairman
 Non-Executive Director

Bruno Firriolo
 Non-Executive Director

Bob Browning
 Chief Executive Officer
 (Effective 16 November 2010)

Bryant Plavsic
 Chief Financial Officer
 (Effective 1 November 2010)

Company Secretary

Bruno Firriolo

Advisory Group

Mark Barnaba
 Chairman

John Akehurst

John Willinge

Share Capital

AAO ordinary shares
 172,793,832

AAOO listed options
 147,051,096

Unlisted options
 495,000

Media Relations

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 FD
 Telephone: (61 8) 9386 1233
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Quarterly Share Price Activity

	2010	High	Low	Last
March	\$0.09	\$0.0547	\$0.065	
June	\$0.08	\$0.044	\$0.045	
September	\$0.09	\$0.045	\$0.085	
December				

Share Registry

Link Market Services
 Level 12, 680 George Street
 SYDNEY NSW 2000

Telephone: 1300 554 474
 (02) 8280 7111

If you wish to view your holdings online please click on the following link:
www.linkmarketservices.com.au/public/investors/login.html?issuer=AAO

Appendix 5B

Mining exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/2001, 01/06/10.

Name of entity

Australasia Consolidated Limited

ABN

93 104 757 904

Quarter ended ("current quarter")

30 September 2010

Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date (3 months) \$A'000
1.1 Receipts from product sales and related debtors		
1.2 Payments for (a) exploration & evaluation (b) development (c) production (d) administration	(31) (262)	(31) (262)
1.3 Dividends received		
1.4 Interest and other items of a similar nature received	30	30
1.5 Interest and other costs of finance paid		
1.6 Income taxes paid		
1.7 Other (provide details if material) R&D tax offset refunded	147	147
Net Operating Cash Flows	(116)	(116)
Cash flows related to investing activities		
1.8 Payment for purchases of: (a) prospects (b) equity investments (c) other fixed assets		
1.9 Proceeds from sale of: (a) prospects (b) equity investments (c) other fixed assets		
1.10 Loans to other entities		
1.11 Loans repaid by other entities		
1.12 Other (provide details if material)		
Net investing cash flows	-	-
1.13 Total operating and investing cash flows (carried forward)	(116)	(116)

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(116)	(116)
Cash flows related to financing activities			
1.14	Proceeds from issues of shares, options, etc.	1,703	1,703
1.15	Proceeds from sale of forfeited shares		
1.16	Proceeds from borrowings		
1.17	Repayment of borrowings		
1.18	Dividends paid		
1.19	Other (provide details if material)		
	Share issue costs	(5)	(5)
	Net financing cash flows	1,698	1,698
	Net increase (decrease) in cash held	1,582	1,582
1.20	Cash at beginning of quarter/year to date	1,753	1,753
1.21	Exchange rate adjustments to item 1.20		
1.22	Cash at end of quarter	3,335	3,335

Payments to directors of the entity and associates of the directors
Payments to related entities of the entity and associates of the related entities

		Current quarter \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	162
1.24	Aggregate amount of loans to the parties included in item 1.10	Nil

1.25 Explanation necessary for an understanding of the transactions

N/A

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

N/A

2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

N/A

+ See chapter 19 for defined terms.

Financing facilities available

Add notes as necessary for an understanding of the position.

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities	NIL	
3.2 Credit standby arrangements	NIL	

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	246
4.2 Development	-
4.3 Production	-
4.4 Administration	350
Total	596

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.

	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	81	10
5.2 Deposits at call	3,254	1,743
5.3 Bank overdraft		
5.4 Other (provide details)		
Total: cash at end of quarter (item 1.22)	3,335	1,753

Changes in interests in mining tenements

	Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1	Interests in mining tenements relinquished, reduced or lapsed	NIL		
6.2	Interests in mining tenements acquired or increased	NIL		

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.


	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1 Preference securities <i>(description)</i>				
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3 *Ordinary securities	172,793,832	172,793,832		
7.4 Changes during quarter (a) Increases through issues (b) Options exercised	13,000,000 34,538,325 5	13,000,000 34,538,325 5	\$0.0038 \$0.052 \$0.10	\$0.0038 \$0.052 \$0.10
7.5 *Convertible debt securities <i>(description)</i>				
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7 Options <i>(description and conversion factor)</i>			<i>Exercise price</i>	<i>Expiry date</i>
	170,000	-	\$0.13	31 December 2011
	100,000	-	\$0.19	13 March 2012
	75,000	-	\$0.12	31 October 2012
	150,000	-	\$0.11	31 December 2012
	147,051,096	147,051,096	\$0.10	19 April 2013
7.8 Issued during quarter	122,000,000	122,000,000	\$0.10	19 April 2013
7.9 Exercised during quarter	5	5	\$0.10	19 April 2013
7.10 Expired during quarter	2,000,000	-	\$0.80	25 August 2010
7.11 Debentures <i>(totals only)</i>				

+ See chapter 19 for defined terms.

7.12	Unsecured notes (<i>totals only</i>)		
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Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act **or other standards acceptable to ASX** (see note 4).
- 2 This statement does /does not* (*delete one*) give a true and fair view of the matters disclosed.

Sign here:  Date: 28 October 2010
(Director/Company secretary)

Print name: Bruno Firriolo

Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 1022: Accounting for Extractive Industries* and *AASB 1026: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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