

22 January 2010

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

## **AUSTRALASIA GOLD LTD QUARTERLY ACTIVITIES REPORT DECEMBER 2009**

### **HIGHLIGHTS**

- Airborne geophysical survey Murninnie uranium prospect
- Preparations completed for metallurgical testing of Glencoe mineralisation
- Reconnaissance mapping and sampling commenced in Otago, NZ

### **REVIEW OF EXPLORATION**

#### **MURNINNIE, GAWLER CRATON, S.A. (Australasia Gold: 90% and 27% of sediment-hosted uranium discovered under terms of joint venture with UraniumSA Limited)**

UraniumSA Limited continued exploration of exploration licence (EL) 3542 under terms of its joint venture with the Company. An aerial electro-magnetic survey commenced early in January 2010 to provide greater detail than was available from the reconnaissance survey undertaken in 2008. The result of the initial survey, reported in the Company's recent quarterly and Annual reports, gave indication that the prospective sedimentary sequence extends into the eastern part of EL 3542. It is expected that the results of the current survey will enhance the interpretation of subsurface geology upon which exploration drilling targets will be defined.

Reconnaissance drilling is expected to commence during the upcoming January-March 2010 quarter.

#### **GLENCOE GOLD DEPOSIT (AAO - 100%)**

Samples were obtained from retained drill cores and reverse circulation drill cuttings in preparation for metallurgical testing of primary mineralisation at Glencoe. Drillsite rehabilitation was completed.

## **OTAGO (New Zealand) ALLUVIAL GOLD PROSPECTS (Glass Earth NZ Pty Ltd – GENZ – earning 70%)**

GENZ as manager of the JV exploring AAO's Prospecting Permits over historic alluvial gold mining areas of New Zealand's Otago Region reported the results of geological mapping and initial pan concentrate sampling of alluvial gold mineralised areas.

Areas were identified with potential for the structural emplacement of prospective horizons at shallow depth, which may have escaped discovery during earlier mining phases. Extended mapping and sampling has been recommended.

### **FINANCE**

At 31<sup>st</sup> December 2009 the Company had available cash totalling \$665,000

*The information in this report that relates to Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Trevor Ireland who is a fellow of the Australasian Institute of Mining & Metallurgy. Mr Ireland is an employee of Australasia Gold 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 Ireland consents to the inclusion in the report of the matters based on his information in the form and context in which they occur.*

For further information please contact Trevor Ireland on 08 8339 0580; [tireland@australasiagold.com.au](mailto:tireland@australasiagold.com.au)

# Appendix 5B

## Mining exploration entity quarterly report

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

Name of entity

**Australasia Gold Limited**

ABN

93 104 757 904

Quarter ended ("current quarter")

31 December 2009

### Consolidated statement of cash flows

<b>Cash flows related to operating activities</b>	Current quarter \$A'000	Year to date (6 months) \$A'000
1.1 Receipts from product sales and related debtors		
1.2 Payments for		
(a) exploration and evaluation	(34)	(60)
(b) development		
(c) production		
(d) administration	(62)	(128)
1.3 Dividends received		
1.4 Interest and other items of a similar nature received	7	10
1.5 Interest and other costs of finance paid		
1.6 Income taxes refunded / (paid)		
1.7 Other (provide details if material) Tenement bonds refunded	9	9
<b>Net Operating Cash Flows</b>	<b>(80)</b>	<b>(169)</b>
<b>Cash flows related to investing activities</b>		
1.8 Payment for purchases of:		
(a) prospects		
(b) equity investments		
(c) other fixed assets	(1)	(1)
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)		
<b>Net investing cash flows</b>	<b>(1)</b>	<b>(1)</b>
1.13 Total operating and investing cash flows (carried forward)	<b>(81)</b>	<b>(170)</b>

+ See chapter 19 for defined terms.

**Appendix 5B**  
**Mining exploration entity quarterly report**

1.13	Total operating and investing cash flows (brought forward)	(81)	(170)
	<b>Cash flows related to financing activities</b>		
1.14	Proceeds from issues of shares, options, etc.		
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		
	<b>Net financing cash flows</b>	-	-
	<b>Net increase (decrease) in cash held</b>	(81)	(170)
1.20	Cash at beginning of quarter/year to date	746	835
1.21	Exchange rate adjustments to item 1.20		
1.22	<b>Cash at end of quarter</b>	665	665

**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	28
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
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+ See chapter 19 for defined terms.

- 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

### 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	30
4.2 Development	NIL
<b>Total</b>	30

### 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	32	15
5.2 Deposits at call	633	731
5.3 Bank overdraft		
5.4 Other		
<b>Total: cash at end of quarter (item 1.22)</b>	665	746

**Appendix 5B**  
**Mining exploration entity quarterly report**

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**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		

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+ See chapter 19 for defined terms.

**Issued and quoted securities at end of current quarter (continued)**

*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 <b>Preference securities</b> <i>(description)</i>				
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3 <b>+Ordinary securities</b>	100,204,401	100,204,401		
7.4 Changes during quarter (a) Increases through issues (b) Exercise of options (c) Decreases through return of capital, buy-backs (d) Increase pursuant to underwriting of options				
7.5 <b>+Convertible debt securities</b> <i>(description)</i>				
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7 <b>Options</b> <i>(description and conversion factor)</i>			<i>Exercise price</i>	<i>Expiry date</i>
	2,000,000	-	\$0.80	25 August 2010
	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
7.8 Issued during quarter				
7.9 Exercised during quarter				
7.10 Expired during quarter				

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7.11	<b>Debentures</b> <i>(totals only)</i>		
7.12	<b>Unsecured notes</b> <i>(totals only)</i>		

## 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: 22 January 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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