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TENEMENT ACQUISITION AND SIGNIFICANT DRILLING RESULTS

HIGHLIGHTS

- Secures strategically located tenement in Northern Queensland formerly held by Conquest Mining Limited.
- Positive initial drilling results from Mt Lucky drilling program.

North Queensland Tenement Acquisition

Australasia Consolidated Limited (ASX : AAO) is pleased to announce that it has secured new tenement ground, EPM 18986, at the northern end of the Bowen Basin in Queensland. The tenement was formerly held by Conquest Mining Limited ('Conquest') and relinquished under Queensland's compulsory tenement relinquishment regulations. Conquest has already discovered four deposits in the region known as Mt Carlton. The currently reported mineral resource estimates for Conquest's Mt Carlton Project total 27.6 million tonnes at 1.6 g/t gold, 45 g/t silver and 0.27% copper, containing 1.5 million ounces of gold, 40 million ounces of silver and 74,600 tonnes of copper¹. The tenement, which is 32,000 hectares in size, is split into 2 areas, one 10 kms south of Mt Carlton and the other 20 kms west of Mt Carlton.

Laverton Gold Project, Western Australia

The Company is also pleased to announce positive results from the ongoing drilling program on the Prospecting License at Mount Lucky, over which the Company holds an option to purchase, located 10km east of the Granny Smith mill and 18km south-east of Laverton, in Western Australia.

Pursuant to the option agreement, the Company has an obligation to complete a minimum of 2,000 metres drilling. To date, the Company has completed 14 holes for a total of 1,302 metres. The significant drilling results set out in Table 1 provide an incentive to complete the remaining 698 meters as soon as possible, with drilling planned to start within the next week.

Table 1 : Significant Drilling Results

Hole ID	Nth	Easting	From (Metres)	To (Metres)	Interval (Metres)	Au g/t	EOH Depth (Metres)
ML_014	6818870	451717	54	57	2	1.34	138
ML_014	6818870	451717	90	92	2	1.03	138
ML_014	6818870	451717	96	98	2	0.95	138
ML_014	6818870	451717	105	113	8	1	138
ML_014	6818870	451717	130	133	3	0.9	138
ML_017	6818915	451728	51	52	2	1.01	60
ML_023	6819240	451720	31	33	2	1.2	102
ML_026	6819180	451710	44	49	5	0.92	120

The mineralisation is associated with black shales and quartz vein stockwork and is typical of the low grade oxide mineralisation found in the Laverton Goldfields. The remaining drill program will follow up the strike extension of the black shale mineralisation.

Whilst the Company's Board has not yet formally made a decision, the results to date are sufficiently material that there is a strong likelihood that the option to acquire the tenement will be exercised, involving payment in equity of the equivalent of \$280,000 by the issue of 14 million AAO listed options at a deemed price of 2 cents per option.

If the option is exercised, the Company will need to seek shareholder approval as the vendor, Nextstar Pty Ltd is a related party via an interest held by Non-Executive Chairman, John Terpu.

CEO, Mr. Bob Browning said, "There has been no change in the strategic direction that the Company recently announced to the market. These pleasing results are part of ongoing work the Company has been engaged in prior to the announcements of the new Advisory Group and executive team. Mr. Terpu, the Chairman of AAO, and Nick Revell, a member of the Board, deserve all the credit for the outstanding progress with the mineral assets."

The newly combined team of existing Directors, new Executives and Advisory Group members has extensive experience to enable it to progress these projects to maximum value for AAO shareholders. Mr. Terpu has prior experience in minerals exploration and development and Nick Revell is a qualified exploration geologist. Mark Barnaba, the Chairman of the Advisory Group, has deep exposure to the mining industry through his time at Azure Capital and as a Board member at Fortescue Metals Ltd. Advisory Group member, John Akehurst, was formerly a CEO of Woodside Petroleum Ltd and John Willinge, another member of the Advisory Group, is a Mining Engineer with operational experience in this area.

The group is now very well positioned to maximise the value from its mineral assets while, at the same time, progressing its new strategy to develop a strong platform for growth by acquiring businesses with significant long term growth potential.

Bob Browning
Chief Executive Officer

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.