

30 July 2010

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

**AUSTRALASIA CONSOLIDATED LTD  
QUARTERLY ACTIVITIES REPORT JUNE 2010**

**HIGHLIGHTS**

- Successful capital raising recapitalises Company.
- Royalty agreement for New Zealand Joint Venture ground.
- Uranium SA Limited (USA ) continues to progress land access agreements with Native Title and local land owners for permission to drill the uranium targets on EL3542.

**REVIEW OF ACTIVITIES**

**CAPITAL RAISING**

An Entitlements Issue was announced on 12 March 2010 to raise approximately \$1.252 million. Eligible shareholders took up entitlements of 12,174,355 New Shares (with an equal number of free attaching New Options), raising \$608,717.75.

Due to substantial oversubscription, applications for shortfall were scaled back. The shortfall issue of 12,876,746 New Shares (with an equal number of free attaching New Options) was completed on 19 May 2010. The issue of shortfall New Shares and New Options raised a further \$643,837.30, making the total amount raised under the Entitlement Issue \$1,252,555.05.

**NEW ZEALAND**

Glass Earth NZ Pty Ltd (GENZL) met the earning obligations as set out in the Farm-In Agreement entered into on 15 May 2008. Pursuant to cl 4.3 of the Farm-in Agreement, GENZL earned a 70% interest in the joint venture ground known as EP50 852 and PP39 329.

After considering the ongoing costs of remaining in the Joint Venture and the Company's goal of disposing of non-core assets, the Board agreed to dilute the Company's remaining 30% interest to Nil in exchange for a gold royalty.

Australasia Consolidated will retain a 2% gross royalty on any gold production from ground that formed part of the original JV. If future gold production occurs, production reporting, calculation and payment is to be on a quarterly basis within 30 days of each calendar quarter end.

### MURNINNIE URANIUM JOINT VENTURE, GAWLER CRATON, S.A.

The Murninnie Uranium JV Ground is located within Uranium SA's (USA) Mullaquana project area (Figure 1), 20km south of the industrial city of Whyalla on the eastern Eyre Peninsula. This project area contains USA's Blackbush Prospect which on which USA has reported an Inferred Mineral Resource of 12Mt at 0.02% eU<sub>3</sub>O<sub>8</sub> with an estimated 2,700t contained U<sub>3</sub>O<sub>8</sub>.

USA is working to advance its Blackbush Prospect to an in-situ-recovery field trial as soon as practicable. The objective is to expand the resource base through incremental addition and new discovery that includes the Murninnie Uranium JV ground which is within tenement EL3542. USA is earning a 70% interest.

USA has continued to progress land access agreements with Native Title and local land owners for permission to drill the uranium targets on EL3542.

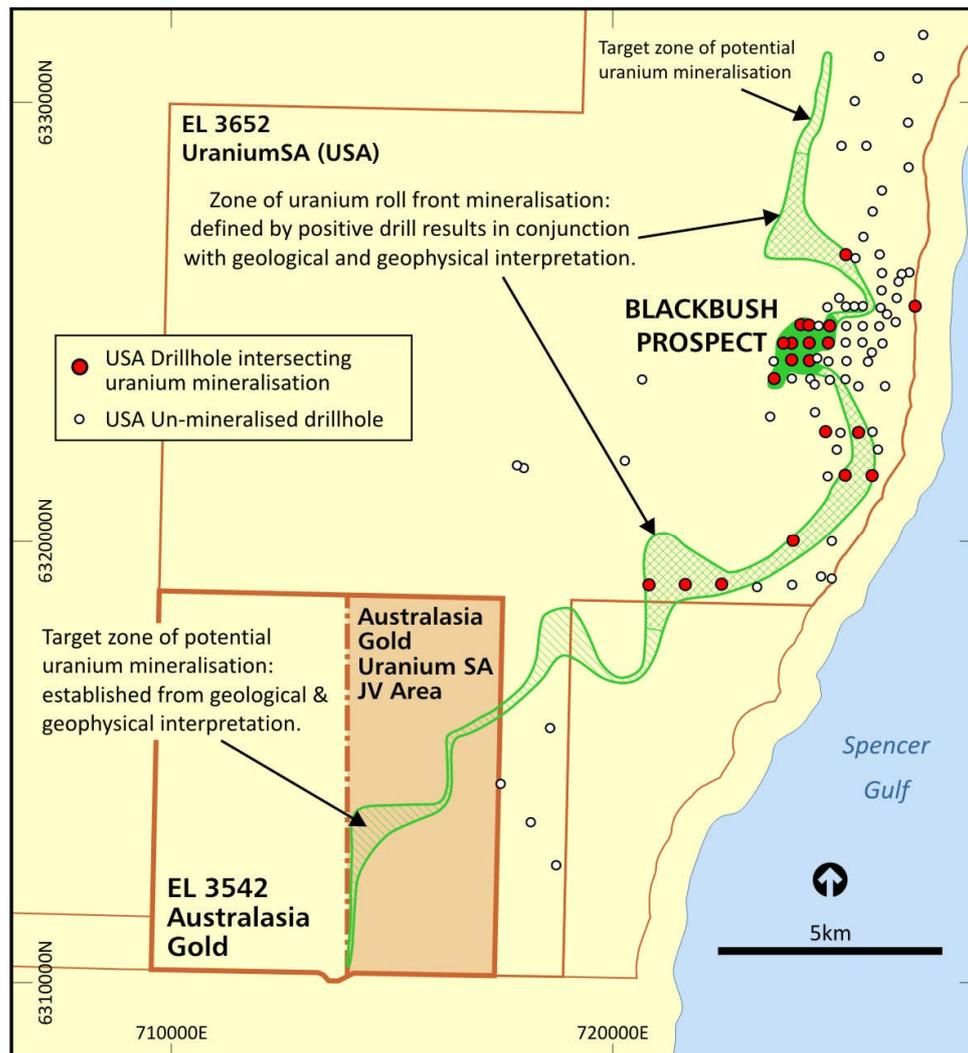


Figure 1 : Target zone interpreted by USA (based on illustration provided courtesy of USA, as at 24 September 2009)

## **NORTHERN TERRITORY**

No new exploration was undertaken on the Northern Territory assets during the quarter. The Company is presently considering its options with regard to this parcel of tenements.

## **FINANCE**

At 30 June 2010 the Company had available cash totalling \$1,753,000.

Exploration and evaluation expenditure for the quarter was \$24,000.

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

*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 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 Revell 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 Nicholas Revell on 08 92404111 [nrevell@australasiaconsolidated.com.au](mailto:nrevell@australasiaconsolidated.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, 01/06/10.

Name of entity

**Australasia Consolidated Limited**

ABN

93 104 757 904

Quarter ended ("current quarter")

30 June 2010

### Consolidated statement of cash flows

<b>Cash flows related to operating activities</b>	Current quarter \$A'000	Year to date (12 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	(24)   (95)	(103)   (283)
1.3 Dividends received		
1.4 Interest and other items of a similar nature received	20	39
1.5 Interest and other costs of finance paid		
1.6 Income taxes paid		
1.7 Other (provide details if material) Tenement bonds refunded Release of bank guarantee	 - 23	 9 23
<b>Net Operating Cash Flows</b>	<b>(76)</b>	<b>(315)</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)
1.9 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>-</b>	<b>(1)</b>
1.13 Total operating and investing cash flows (carried forward)	<b>(76)</b>	<b>(316)</b>

+ See chapter 19 for defined terms.

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

1.13	Total operating and investing cash flows (brought forward)	(76)	(316)
<b>Cash flows related to financing activities</b>			
1.14	Proceeds from issues of shares, options, etc.	1,253	1,253
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	(19)	(19)
	<b>Net financing cash flows</b>	1,234	1,234
	<b>Net increase (decrease) in cash held</b>	1,158	918
1.20	Cash at beginning of quarter/year to date	595	835
1.21	Exchange rate adjustments to item 1.20		
1.22	<b>Cash at end of quarter</b>	1,753	1,753

**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

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	100
4.2 Development	-
4.3 Production	-
4.4 Administration	290
<b>Total</b>	<b>390</b>

### 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	10	7
5.2 Deposits at call	1,743	583
5.3 Bank overdraft		
5.4 Other (provide details)		
<b>Total: cash at end of quarter</b> (item 1.22)	<b>1,753</b>	<b>590</b>

### 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 <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>	125,255,502	125,255,502		
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	25,051,101	25,051,101	\$0.05	\$0.05
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	30 November 2011
	100,000	-	\$0.19	13 March 2012
	75,000	-	\$0.12	31 October 2012
	150,000	-	\$0.11	31 December 2012
	25,051,101	25,051,101	\$0.10	19 April 2013
7.8 Issued during quarter	25,051,101	25,051,101	\$0.10	19 April 2013
7.9 Exercised during quarter				
7.10 Expired during quarter				

+ See chapter 19 for defined terms.

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: 30 July 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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