

AustralasiaGold

LIMITED



A N N U A L

R E P O R T

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Australasia Gold Limited

ABN 93 104 757 904

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CHAIRMAN'S REPORT

A U S T R A L A S I A G O L D L I M I T E D

Dear fellow shareholders,

The successful capital raising through an Initial Public Offering ("IPO") culminated in the trading of the Company's shares and options on the Australian Stock Exchange commencing 18th January 2006. The IPO closed oversubscribed late in December 2005, raising more than \$3.1million. Exploration commenced shortly thereafter and, by the close of the year under review, exploration had advanced at each of the Company's Otago (New Zealand); Pine Creek (Northern Territory) and Lucknow (New South Wales) projects. All of our projects are described later in this report.

Turning to some of the exploration results:

We believe that the results of drilling at Wetherstones (Otago, New Zealand), when integrated with historic drilling, indicate that potential still exists for the presence of economic gold deposits and further drilling is planned and expected to be completed before the close of calendar 2006. Reconnaissance exploration activities are expected to commence on Australasia Gold's other Otago areas during the coming summer.

At Glencoe, in the Northern Territory, work concentrated on the feasibility of mining this gold deposit and indicates that more drilling is required to increase confidence in the resource estimates. This work also confirms the potential for extensions of the gold mineralisation along strike, at depth and down plunge. The in-fill drilling and extension testing are scheduled for later this calendar year.

Work commenced on the Company's other Pine Creek projects to test the Company's belief that there are significant similarities between the Tanami and Pine Creek regions of the Northern Territory in regard to the geological history and gold deposits of both regions.

At the Lachlan project in New South Wales, work resulted in defining six targets for bedrock geochemical sampling and this drilling commenced in September 2006.

As stated in the Company's November 9th 2005 prospectus, Australasia Gold envisages building its project portfolio by strategic acquisitions. During the year under review, opportunities in Australia, New Zealand, China, Cambodia, and Indonesia were assessed. As a result of this acquisition initiative, the Company subsequently acquired an interest in the promising Murninnie copper/gold/uranium project in South Australia. Murninnie is located in the very prospective Gawler Craton and is described in detail later in this report.

With our exploration team taking shape, cash reserves of \$2.4 million at June 2006, and the strengthening of our exploration project portfolio, the Company is well placed to pursue its goal of building a significant mining enterprise.

In conclusion the directors and myself gratefully acknowledge the outstanding efforts of our small band of employees and contractors under the leadership of Trevor Ireland, Managing Director, during this very busy and formative period.



John B Roberts
Chairman

1 EXPLORATION PROJECTS

Exploration has advanced each of the Company's Otago (New Zealand); Pine Creek (Northern Territory) and Lucknow (New South Wales) projects. A new copper-gold-uranium project has been acquired in the Gawler Craton of South Australia.

Otago, South Island, New Zealand (gold)

Wetherstones Palaeoplacer Gold Deposit (Australasia Gold ("AAO") – 100%)

At Wetherstones (Figure 1) the Company is testing the depth extensions of the historic alluvial gold mine. An interpreted ancient river channel containing high gold grades in its basal gravel beds has been tilted by faulting and extends to depth beyond the reach of the early miners. Sampling in 1930 of the lowermost one metre thickness of these gravels within an inclined tunnel (now flooded) yielded values averaging approximately half an ounce of gold per tonne along a section of this horizon which extends for approximately 113 metres, apparently perpendicular to the channel orientation.

Figure 1: Wetherstones - location



Eight vertical reverse circulation ("RC") drillholes (WSRC 51-58) were completed in three traverses across the interpreted position of the palaeochannel (Figure 2). While results did not match those recorded from the tunnel, the geology revealed by the drilling was consistent with prediction and 1-metre samples assayed up to 5.5grams/tonne gold (g/t au). These drilling results along with those of the previous owner support the judgement that the Wetherstones depth extensions retain economic potential, and further drilling is planned to test the targets shown in Figure 3 (all of which are at depths of less than 100metres) before the end of calendar year 2006.

Drilling Hole WSRC 57 at Wetherstones, NZ. The track through the pasture marks the drillsites WSRC 51, 52 and 53



Figure 2: Wetherstones - surface geology and drillhole locations

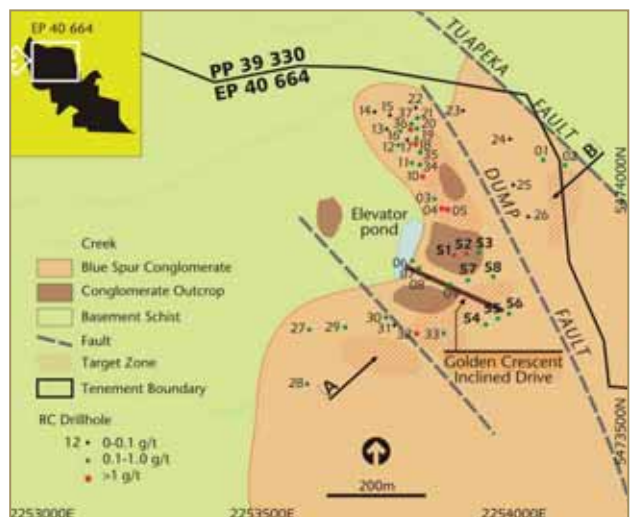
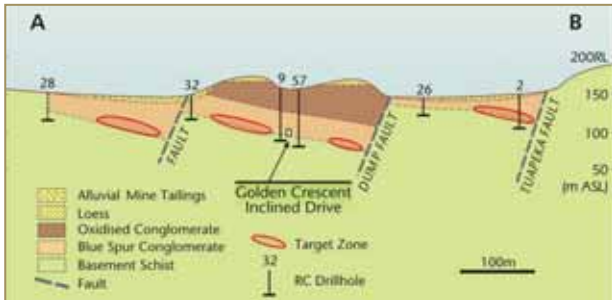


Figure 3: *Interpreted Cross Section - Wetherstones Gold Prospect*



St Bathans and Buster Naseby Reconnaissance (AAO – 100%)

Australasia’s two main Prospecting Permit areas are located over centres of major historical alluvial gold production (Figure 1). In particular the alluvial gold mineralisation at St Bathans was distinguished by the high grades recovered from the famous “Kildare Streak”.

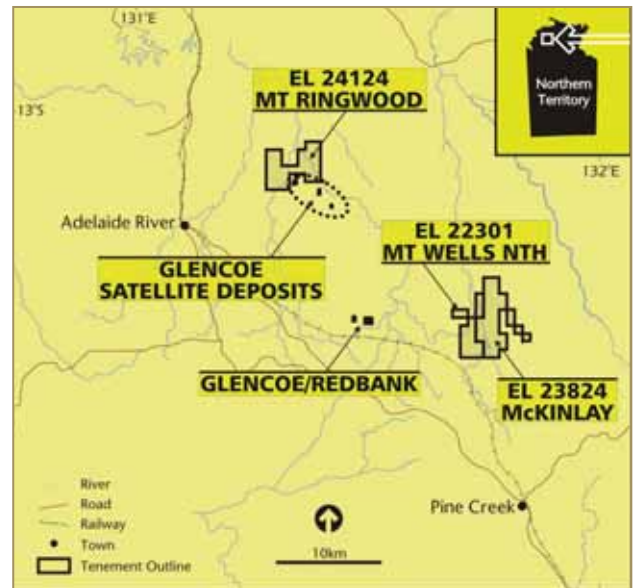
A detailed review of exploration records and other public domain information has confirmed how sparsely these areas have been explored (except in regard to immediate extensions of the old alluvial gold deposits). Australasia Gold is targeting higher grade deep lead alluvial gold concentrations and lode gold deposits in the basement schists concealed beneath alluvial valley fill and alluvial mining residues.

It is expected that reconnaissance activities will be commenced in these two permit areas during the coming summer months.

Pine Creek, Northern Territory (gold)

Glencoe
(AAO – 100%)

Figure 4: *Glencoe - location*



West end of Glencoe West trial pit



Work at the Glencoe gold deposit has focussed on demonstrating the feasibility of mining. The Glencoe gold deposit was drilled in some detail in the late 1980’s, and resources estimated using classical techniques based on the careful interpretation of geology and mineralisation on 25 metre spaced cross sections.

Pine Creek, Northern Territory (gold)

Glencoe (AAO – 100%) continued

As the first stage of the current feasibility study, the drilling data was reprocessed by Resource Evaluations Pty Ltd to produce a resource estimate in block modelled format – a numerical structure more amenable to computerised engineering studies than the previous estimate.

As reported in more detail in the June quarterly report, the result of the estimate at 1.0 g/t Au cutoff block grade is summarised in the following table:

Glencoe Mineral Resource Estimates

	Indicated		Inferred		Total	
	Tonnes	Grade (g/t Au)	Tonnes	Grade (g/t Au)	Tonnes	Grade (g/t Au)
Oxidised	208,000	2.1	45,000	2.4	253,000	2.2
Fresh	174,000	2.0	277,000	1.6	451,000	1.7
Total	382,000	2.1	322,000	1.7	704,000	1.9

Blocks estimated at greater than 1 g/t Au are thus estimated to contain 43,000 ounces of gold. The estimate excludes marginal material estimated in the grade range 0.5 to 1.0 g/t Au which was included in the previous resource estimate. An apparent grade differential from the earlier estimate is in part attributed to the different estimation methodologies used.

Seventy-eight per cent of the estimated contained ounces of gold occur within 60metres of surface, while the deepest blocks in the estimate extend to a little over 100 metres depth. The mineralisation at shallow depth appears to be of higher grade than the average for the deposit.

The uncertainty raised by the differing estimates indicates a need for additional drilling to increase confidence in resource estimations, for input to future ore reserve estimates. Desktop engineering studies are in progress based on the above resource.

Figure 5: Glencoe - Plan Projection of mineralised zones

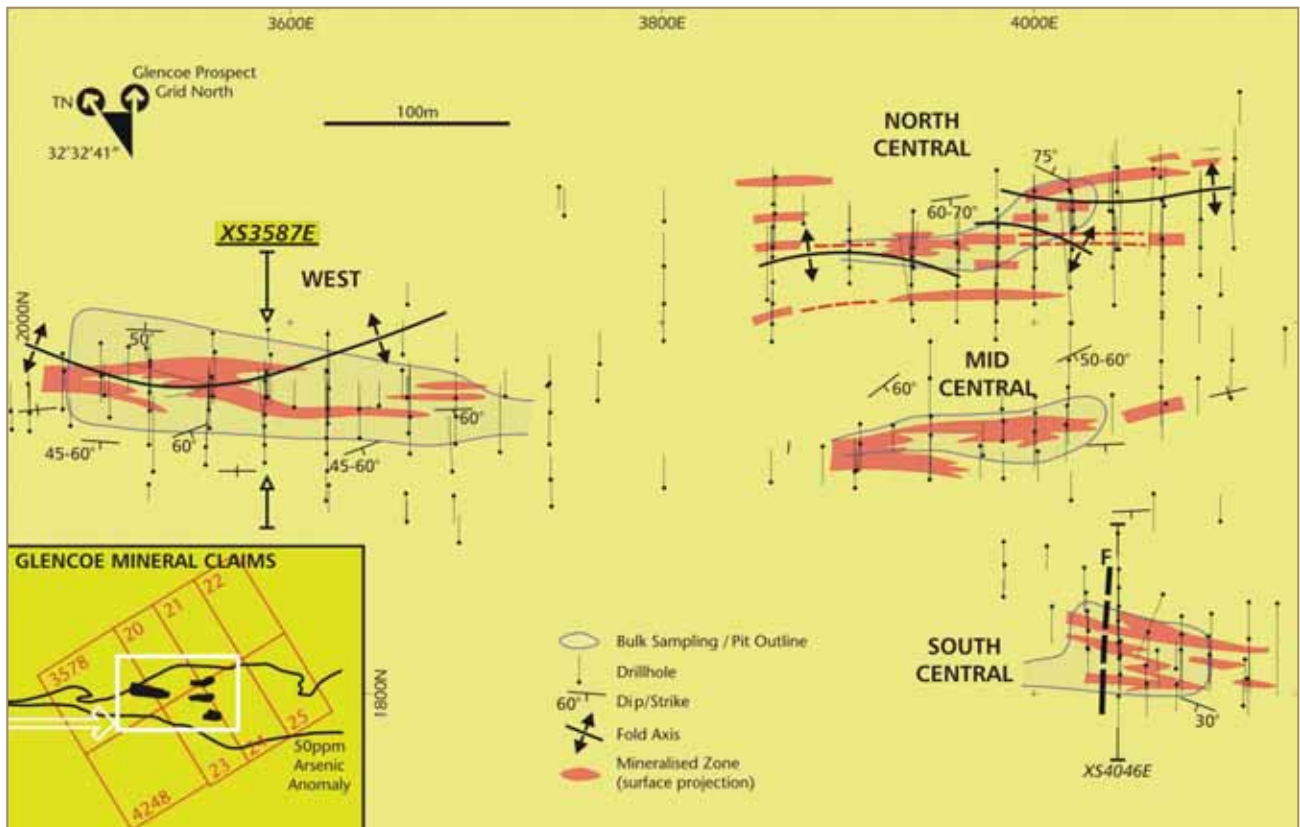
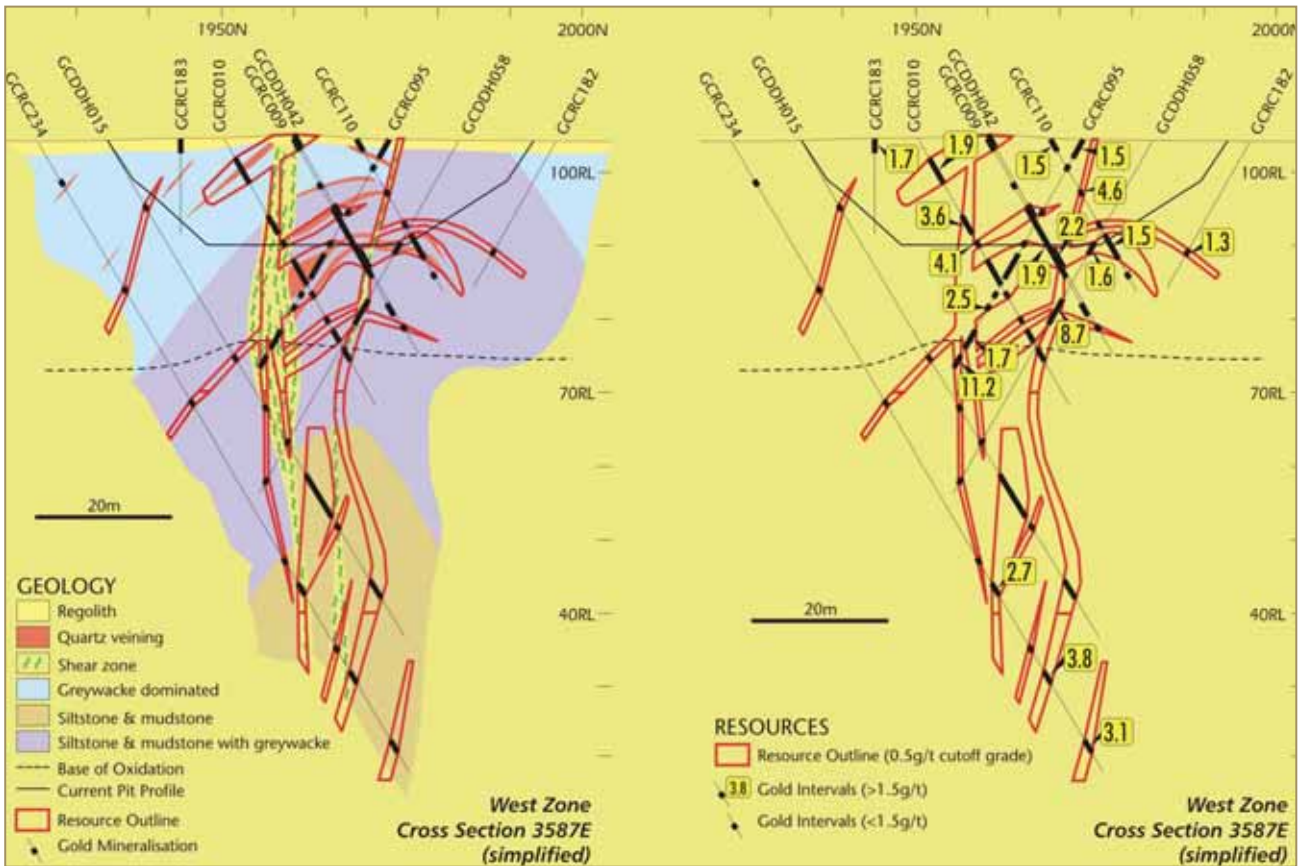


Figure 6: Glencoe - Cross Section 3587 E



The resource report notes that “the mineralisation remains open in all directions.” – i.e. along strike to the south-east and north-west (where it is lightly tested), and at depth and down plunge, where it remains essentially untested below 80metres depth. An induced polarisation geophysical survey is scheduled for later this year for the purpose of identifying targets within the untested depth extension zone of the deposit.

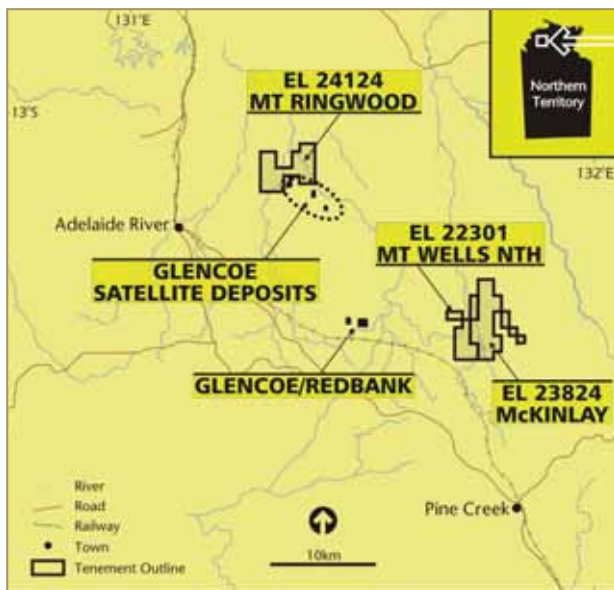
In particular the mineralised structures are interpreted to intersect potentially more favourable host rock sequences, which in turn may be more intensely mineralised than the shallow part of the deposit.

Subject to the availability of drill rigs, drilling in support of the feasibility study and testing depth extension targets is anticipated before the end of the 2006/07 dry season.

Pine Creek, Northern Territory (gold)

Pine Creek Regional

Figure 7: Tenement Location



**McKinlay – Mt Ringwood Area
(Gold, AAO – 100%)**

Australasia Gold holds EL 24142 in its own right and gold rights to EL's 23824 and 22301 via an agreement with licence holder Softwood Plantations Pty Ltd. It is also the holder of several small mineral claim and mineral lease blocks over old mining centres in the same general area (Figure 7).

The Tanami and Pine Creek regions of the Northern Territory have conspicuously similar geological histories and gold deposits. The targets of exploration in these tenements are concealed gold deposits modelled on examples identified in the Tanami Region and, in particular, the Callie model.

Australasia Gold is targeting areas concealed by shallow transported valley fill (“blacksoil”) which are prospective on structural and stratigraphic grounds, and are underexplored because of the challenges presented to conventional geochemical exploration techniques by the blacksoil (Figure 8).

Regional geophysical datasets have been reinterpreted to identify target areas and a detailed low-level airborne magnetic survey was flown over a part of EL 23824 in preparation for bedrock geochemical surveys which are proposed to be conducted as soon as practicable.

Figure 8: Target features in Central Pine Creek Inlier



Terry's (Gold, AAO - 100%)

A block of Mineral Claims covering the remotely located Terry's gold prospect situated 120 kilometres south west of Adelaide River was relinquished after review of exploration records and regional reconnaissance results.

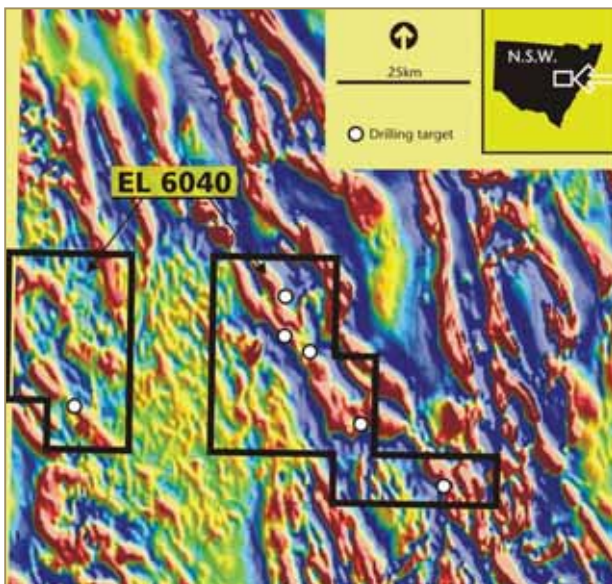
Lachlan, New South Wales (gold-copper, AAO – 100%)

Exploration of EL 6040 is based on targeting basement rocks of the Molong Volcanic Belt which are elsewhere widely mineralised with deposits of gold and copper-gold in numerous geological settings. Basement rocks have been targeted where they are concealed beneath younger volcanic cover.

Reinterpretation of airborne magnetic survey data identified a series of north east - south west oriented structural features overprinting the north-north westerly regional geological trend. These structures are apparently associated with mineralisation, but have not featured in previous exploration targeting.

The interpreted structures have been integrated with pre-existing soil geochemical anomalies and geological features identified from the magnetics to define six targets for geochemical sampling and alteration studies. Drilling of these targets commenced during September 2006.

Figure 9: Tenement and drilling targets on magnetic image



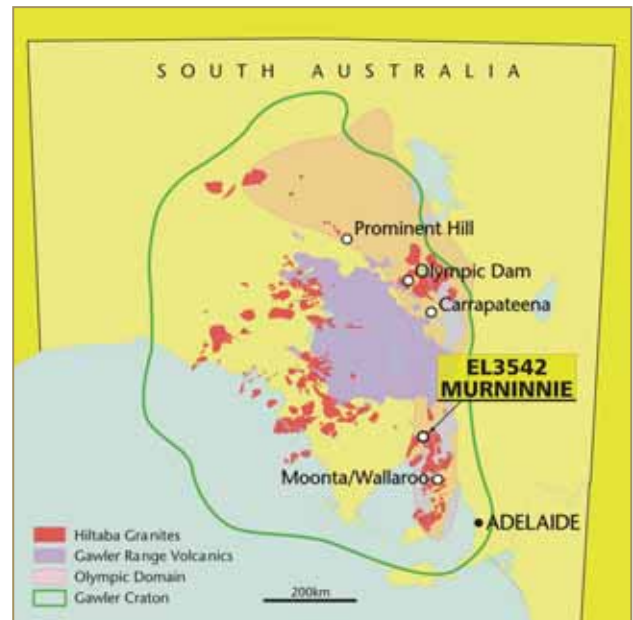
2 NEW PROJECTS

Evaluation of new project opportunities comprises a significant part of the Company's exploration effort. Gold and base metals projects have been assessed (and in some cases remain under consideration) in several gold-producing regions of Australia and New Zealand, as well as China, Cambodia and Indonesia.

Murninnie Mine, Eyre Peninsula, South Australia (Copper/gold, AAO – 45%)

Australasia Gold completed the first stage of acquisition of the Murninnie copper-bismuth-(gold) mine, and the surrounding exploration licence EL 3542, situated 35 kilometres south-west of Whyalla, South Australia.

Figure 10: Map of Location and regional context



The Murninnie copper deposit is of interest because of its location in the Gawler Craton, within the southern extensions of the so-called "Olympic Domain" containing to the north the substantial Olympic Dam and Prominent Hill deposits of the iron-oxide-copper-gold-uranium (IOCGU) type, and to the south east, the historic copper-(gold, uranium) deposits in the Moonta – Wallaroo area.

Murninnie Mine, Eyre Peninsula, South Australia
(Copper/gold, AAO – 45%) *continued*

It occurs in close proximity to granite bodies of the "Hiltaba" suite which are associated with all the above-named deposits, and others throughout the Gawler Craton (*Figure 10*). The surrounding EL is also prospective for uranium, both in the crystalline basement and younger sediments which cover the eastern part.

Historic mining development extends to more than 50 metres depth while mineralisation is exposed over 450metres strike length in the walls of a steep gully shown in the photo below. Ore shipments averaged around 10% copper, and in some cases assayed up to 5% bismuth. Recently sampled mine dump material assayed up to 7.7% copper, 3.8 grams/tonne gold, 2.4% bismuth and 10.0 grams/tonne silver. The extensions of the deposit have never been drilled.



Mining spoil marks the trend of the Murninnie lode obliquely cutting across "Hurrels Gap" gully. View towards the south east.

The smaller photo shows pervasive hematitic alteration of metasediments at the mouth of one of the adits into the mineralisation

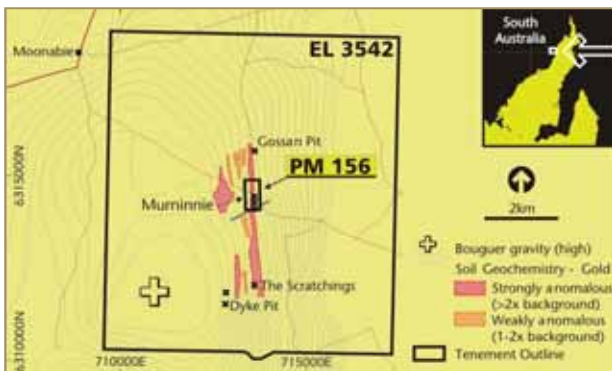
Soil geochemistry and occasional outcropping showings of secondary copper mineralisation indicate extensions of the mineralised structure over several kilometres to the north and south. An extensive gravity survey completed in 1984, centred to the west of the Murninnie area revealed a 5 milligal anomaly at its margins covering the unexplored south-west part of the EL (*Figure 11*).

Secondary copper coatings (greenish) on outcropping hematitic brecciated granitoid host-rock – outcrop at "The Scratchings"



Although the regolith cover is shallow over most of the EL, outcrop is limited and patchy, and calcrete development is extensive. The geochemical and gravity data acquired to date (*Figure 11*) present a number of targets for drilling which is proposed to commence early in 2007 after completion of further gravity surveys.

Figure 11: Tenement location, gold in soil geochemistry (partial leach, 200 x 25-50metre sample grid over a 4 kilometre by 2 kilometre area) and Bouguer gravity anomaly (4 kilometre by 500 metre)



3 EXPLORATION TEAM

It has been widely reported that the exploration activities of many companies are being impeded by limited availability of professional personnel, specialised contractor services, drills and experienced drillers, as well as competent support personnel. Australasia Gold has been similarly affected during its initial half-year of operations. It is therefore important to the Company's progress that it has recently secured the services of three very experienced key personnel – Brett Sando as Project Manager, Hugh Rutter as consultant geophysicist, and Paul Angus as Regional Manager – New Zealand. The impact on the progress of the Company's projects has been immediately apparent.

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 and Metallurgy. The information relating to the resource estimate of the Glencoe gold deposit was compiled by Mr Paul Payne who is a member of the Australasian Institute of Mining and Metallurgy. Both Mr Ireland and Mr Payne have sufficient experience, relevant to the styles of mineralisation under consideration and to the subject matter of their reports to qualify as a Competent Persons as defined in the 2004 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code) and consent to the inclusion in this report of the matters based on their information in the form and context in which they appear. Mr Ireland is an employee of Australasia Gold Ltd; Mr Payne is the principal of the consultancy Resource Evaluations Pty Ltd.

TENEMENT SCHEDULE

A U S T R A L A S I A G O L D L I M I T E D

Tenement No.	Registered Holder	Area (ha/sq km)	Application/Grant date	Expiry date
Northern Territory				
Glencoe				
MCN 3578	The Australian Land Company Ltd	40 ha	7 Aug 1990	5 Oct 2007
MCN 4248	The Australian Land Company Ltd	39.69 ha	13 Mar 1992	31 Dec 2006
MCN 20	The Australian Land Company Ltd	20 ha	16 May 1983	5 Oct 2006
MCN 21	The Australian Land Company Ltd	20 ha	16 May 1983	5 Oct 2006
MCN 22	The Australian Land Company Ltd	20 ha	16 May 1983	5 Oct 2006
MCN 23	The Australian Land Company Ltd	20 ha	16 May 1983	5 Oct 2006
MCN 24	The Australian Land Company Ltd	20 ha	16 May 1983	5 Oct 2006
MCN 25	Magnum Gold NL	20 ha	16 May 1983	5 Oct 2006
Redbank				
MCN 4254	The Australian Land Company Ltd	39.6 ha	13 Mar 1992	31 Dec 2006
Star of the North				
MLN 875	The Australian Land Company Ltd	7.9 ha	13 Mar 1980	31 Dec 2020
MLN 876	The Australian Land Company Ltd	7.9 ha	13 Mar 1980	31 Dec 2020
MLN 877	The Australian Land Company Ltd	7.9 ha	13 Mar 1980	31 Dec 2020
MLN 883	The Australian Land Company Ltd	7.9 ha	13 Mar 1980	31 Dec 2020
Great Northern				
MLN 875	The Australian Land Company Ltd	7.8 ha	13 Mar 1980	31 Dec 2020
MLN 875	The Australian Land Company Ltd	7.8 ha	13 Mar 1980	31 Dec 2020
Great Western				
MLN 880	The Australian Land Company Ltd	7.96 ha	13 Mar 1980	31 Dec 2020
MLN 881	The Australian Land Company Ltd	7.78 ha	13 Mar 1980	31 Dec 2020
MLN 882	The Australian Land Company Ltd	7.78 ha	13 Mar 1980	31 Dec 2020
Johns Hill				
MLN 872	The Australian Land Company Ltd	7.8 ha	13 Mar 1980	31 Dec 2020
MLN 873	The Australian Land Company Ltd	8 ha	13 Mar 1980	31 Dec 2020
MLN 874	The Australian Land Company Ltd	8 ha	13 Mar 1980	31 Dec 2020
Mt Ringwood				
EL 24142	Australasia Gold Limited	27 sub blocks	7 Oct 2004	7 Oct 2010
Porters				
MLN 816	The Australian Land Company Ltd	8.09 ha	22 Apr 1976	31 Dec 2019
Good Shepherd				
MLN 898	The Australian Land Company Ltd	8 ha	10 Oct 1980	31 Dec 2020
Mt Wells North				
EL 22301	Softwood Plantations Pty Ltd	16 sub blocks	14 Apr 2003	13 Apr 2009
McKinlay				
EL 23824	Softwood Plantations Pty Ltd	31 sub blocks	24 Feb 2004	11 Feb 2010
Terry's				
MCN 2588	The Australian Land Company Ltd	20 ha	17 Sep 1988	31 Dec 2006
MCN 2589	The Australian Land Company Ltd	18 ha	17 Sep 1988	31 Dec 2006
MCN 2590	The Australian Land Company Ltd	18 ha	17 Sep 1988	31 Dec 2006
MCN 2591	The Australian Land Company Ltd	18 ha	17 Sep 1988	31 Dec 2006
MCN 3994	The Australian Land Company Ltd	40 ha	23 Jan 1991	31 Dec 2006
MCN 3995	The Australian Land Company Ltd	40 ha	23 Jan 1991	31 Dec 2006

Tenement No.	Registered Holder	Area (ha/sq km)	Application/Grant date	Expiry date
New South Wales				
Lachlan EL 6040	The Australian Land Company Ltd	132.75 sq km	21 Jan 2003	21 Jan 2007
Otago – New Zealand				
Wetherstones EP 40 664 PP 39 265	Australasia Gold Limited Australasia Gold Limited	295 ha 101 sq km	23 Apr 2004 18 May 2004	22 Apr 2009 17 May 2007
Waikerikeri EP 40 711	Australasia Gold Limited	590 ha	12 Nov 2004	11 Nov 2009
Buster-Naseby PP 39 266	Australasia Gold Limited	459 sq km	1 Jun 2004	30 may 2007
St Bathans PP 39 264	Australasia Gold Limited	250 sq km	18 May 2004	17 May 2007



Exposure of Blue Spur Conglomerate at Wetherstone, South Island, New Zealand.

CORPORATE GOVERNANCE STATEMENT

A U S T R A L A S I A G O L D L I M I T E D

In March 2003 the Australian Stock Exchange Corporate Governance Council ("ASXCGC") released its best practice recommendations based on ten core principles for corporate governance. These recommendations were not intended to be prescriptions to be followed by all ASX listed companies, but rather guidelines designed to produce an efficiency, quality or integrity outcome.

The Corporate Governance Council has recognised that a "one size fits all" approach to Corporate Governance is not required. Instead, it states aspirations of best practice for optimising corporate performance and accountability in the interests of shareholders and the broader economy. A company may consider that a recommendation is not appropriate to its particular circumstances and has flexibility to not adopt it and explain why.

Australasia Gold Limited to date has not adopted the ASXCGC best practice recommendations other than those specifically identified and disclosed below because the Board believes that it cannot justify the necessary cost given the size and early stage of its life as a listed exploration company. However the Board is committed to ensuring that appropriate Corporate Governance practices are in place for the proper direction and management of the Company. This statement outlines the main Corporate Governance practices of the Company disclosed under the principles outlined in the ASXCGC including those that comply with best practice that, unless otherwise disclosed, were in place during the whole of the financial year ended 30 June 2006.

Principle 1: **Lay solid foundations for management and oversight**

Role of the Board

The Board is governed by the Corporations Act 2001, ASX listing rules and a formal constitution.

The Board's primary role is the protection and enhancement of shareholder value.

The Board takes responsibility for the overall Corporate Governance of the Company including its strategic direction, management goal setting and monitoring, internal risk control, risk management and financial reporting.

Board processes and management

The Board has an established framework for the management of the company including a system of internal control, a business risk management process and appropriate ethical standards.

The Board appoints a Managing Director with responsibility for the day to day management of the Company including management

of financial, physical, and human resources, development and implementation of risk management, internal control and regulatory compliance policies and procedures, recommending strategic direction and planning for the operations of the business and the provision of relevant information to the Board.

Principle 2: **Structure the Board to add value**

Composition of the Board

The names of the directors of the Company and terms in office at the date of this Statement together with their experience and expertise are set out in the Directors' Report section of this report. The directors' terms in office are considered appropriate in view of the fact that the company listed in January 2006.

The composition of the Board consists of four directors of whom three, including the Chairman, are non-executives. Mr Roberts' role as Chairman of the Board is separate from that of the managing Director, Mr Ireland who is responsible for the day to day management of the Company and is in compliance with the ASXCGC best practice recommendation that these roles not be exercised by the same individual.

The Company's constitution stipulated that the number of directors must be at least three and no more than ten. The Board may at any time appoint a director to fill a casual vacancy. Directors appointed by the Board are subject to election by shareholders at the following annual general meeting and thereafter directors (other than the Managing Director) are subject to re-election at least every three years. The tenure for executive directors is linked to their holding of executive office.

All directors are entitled to take such legal advice as they require at any time, and from time to time, on any matter concerning or in relation to their rights, duties, and obligations as directors in relation to the affairs of the Company.

Principle 3: **Promote ethical and responsible decision making**

Ethical standards

The Company aims for a high standard of corporate governance and ethical standard by directors and employees.

All directors are required to provide the Company with details of all securities registered in the director's name or an entity in which the director has a relevant interest within the meaning of section 9 of the Corporations Act 2001 and details of all contracts, other than contracts to which the Company is a party to which the director is a party or under which the director is entitled to a benefit, and that confer a right to call for or deliver shares in the Company and the nature of the director's interest under the contract.

Ethical standards continued

Directors are required to disclose to the Board any material contract in which they may have an interest. In accordance with section 195 of the Corporations Act 2001, a director having a material personal interest in any matter to be dealt with by the Board, will not be present when that matter is considered by the Board and will not vote on that matter.

Trading in the Company's Securities

Directors, officers and employees are not permitted to trade in securities of the Company at any time whilst in possession of price sensitive information not readily available to the market. Section 1043A of the Corporations Act 2001 also prohibits the acquisition and disposal of securities where a person possesses information that is not readily available and which may reasonably be expected to have a material effect on the price of the securities if the information was generally available.

Principle 4: Safeguard integrity in financial reporting**Audit Committee**

Australasia Gold Limited was not a Company required by ASX Listing Rule 12.7 to have an Audit Committee during the year, although it is a best practice recommendation of the ASXCGC.

Principle 5: Make timely and balanced disclosure**Continuous Disclosure**

The Company operates under the continuous disclosure requirements of the ASX Listing Rules and ensures that all information, apart from information which is confidential, and ASX has not formed the view that the information has ceased to be confidential, which may be expected to affect the value of the Company's securities or influence investment decisions is released to the market in order that all investors have equal and timely access to material information concerning the Company. This information is made publicly available on the Company's website following release to the ASX

Principle 6: Respect the rights of shareholders**Communication with shareholders**

The Board aims to ensure that shareholders are informed of all major developments affecting the Company's state of affairs. In accordance with the ASXCGC best practice recommendations, information is communicated to shareholders as follows:

- The annual financial report which includes relevant information about the operations of the Company during the year, changes in the state of affairs of the entity and details of future developments, in addition to other disclosures required by the Corporations Act 2001;
- The half yearly financial report lodged with the Australian Stock Exchange and Australian Securities and Investments Commission and sent to all shareholders who request it;
- Notifications relating to any proposed major changes in the Company which may impact on share ownership rights that are submitted to a vote of shareholders;
- Notices of all meetings of shareholders;
- Publicly released documents including the full text of notices of meetings and explanatory material made available on the Company's internet web-site at www.australasiagold.com.au; and
- Disclosure of the Company's Corporate Governance practices and communications strategy on the internet web-site.

The Board encourages full participation of shareholders at the Annual General Meeting to ensure a high level of accountability and identification with the Company's strategy and goals. Important issues are presented to the shareholders as single resolutions. The external auditor of the Company is also invited to the Annual General Meeting of shareholders and is available to answer any questions concerning the conduct, preparation and content of the auditor's report. Pursuant to Section 249K of the Corporations Act 2001 the external auditor is provided with a copy of the notice of meeting and related communications received by shareholders.

Principle 7: Recognise and manage risk**Risk Assessment and Management**

The Board recognises that there are inherent risks associated with the Company's operations including mineral exploration, environmental, title, native title, legal, and other operational risks. The Board endeavours to mitigate such risks by continually reviewing the activities of the Company in order to identify key business and operational risks and ensuring that they are appropriately assessed and managed.

Principle 8: Encourage enhanced performance**Performance Evaluation**

The Board evaluates the performance of the Managing Director on a regular basis and encourages continuing professional development.

Principle 9: Remunerate fairly and responsibly**Remuneration Policy**

The Company's Constitution specifies that the total amount of remuneration of non-executive directors shall be fixed from time to time by a general meeting. The current maximum aggregate remuneration of non-executive directors is set at \$100,000 per annum. Directors may apportion any amount up to this maximum amount amongst the non-executive directors as they determine. Directors are also entitled to be paid reasonable travelling, accommodation and other expenses incurred in performing their duties as directors.

The remuneration of the Managing Director is determined by the Board as part of the terms and conditions of his employment which are subject to review from time to time. The remuneration of employees is determined by the Managing Director subject to the approval of the Board.

Further details of directors' and executives/officers' remuneration, superannuation and retirement payments are set out in the Directors' Report.

Principle 10: Recognise the legitimate interests of stakeholders**Code of Conduct**

The Company requires all its directors and employees to abide by the highest standards of behaviour, business ethics, and in accordance with the law. In discharging their duties, Directors of the Company are required to:

- Act in good faith and in the best interests of the Company;
- Exercise care and diligence that a reasonable person in that role would exercise;
- Exercise their powers in good faith for a proper purpose and in the best interests of the Company;
- Not improperly use their position or information obtained through their position to gain a personal advantage or for the advantage of another person to the detriment of the Company;
- Disclose material personal interests and avoid actual or potential conflicts of interests;
- Keep themselves informed of relevant Company matters;
- Keep confidential the business of all directors meetings; and
- Observe and support the Board's Corporate Governance practices and procedures.

Your Directors present their report on the financial statements of the Company and its consolidated entities for the year ended 30 June 2006.

Review of Operations

During the year, the Company conducted an Initial Public Offer and listed on the Australian Stock Exchange (ASX), and carried out exploration on its tenements with the objective of identifying economic deposits of gold, and other metals.

The Chairman's report and the Managing Director's report are contained in the Annual Report and contain a review of operations.

Principal Activities

The principal continuing activity of the Economic entity is the exploration for and development of economic deposits of gold and other minerals.

Results

The net result of operations for the year was a loss, after income tax of \$146,717. (2005: \$4,770)

Dividends

No dividends were declared since the start of the financial year and the directors do not recommend the payment of a dividend in respect of the financial year.

Changes in State of Affairs

During the financial year there was no significant change in the state of affairs of the Economic entity other than that referred to in the financial statements or notes thereto.

Matters Subsequent to Balance Date

Other than as referred elsewhere in the financial report, no matters or circumstances have arisen since the end of the financial year that have significantly affected, or may significantly affect;

- i) The operations of the Economic entity or the results of those operations
- ii) The state of affairs of the Economic entity in the financial years subsequent to 30 June 2006.

Future Developments

Disclosure of information regarding likely developments in the operations of the economic entity in future financial years and the expected results of those operations is likely to result in unreasonable prejudice to the economic entity. Accordingly, this information has not been disclosed in this report.

Environment

The Economic entity recognises the importance of sound environmental practice. It encourages environmental awareness by all of its employees and contractors with the objective of achieving standards of management, which, as a minimum, comply with existing Government legislation and regulations.

Adoption of Australian Equivalents to IFRS

As a result of the introduction of Australian equivalents to International Financial Reporting Standards (A-IFRS) the financial report has been prepared in accordance with those standards. A reconciliation of adjustments arising from the transition to A-IFRS is included in *Note 2* of the financial report.

Directors

Directors of Australasia Gold Limited in office at any time during, or since the end of, the year:

John Roberts BSc, FAusIMM – *Non-Executive Chairman*

John Roberts is a geologist with 49 years experience in the mineral exploration and mining industries in Australia and the USA. During that time he has been involved in a number of new mine developments and re-developments. John was responsible for Homestake Gold of Australia Ltd's activities from 1977 to 1993 and served as Managing Director from 1987 when the company listed publicly in Australia.

Mr Roberts was chairman of Ballarat Goldfields NL from mid 1997 to 2002. He was also a director of Australian Resources Limited from 1993 to 1999, including 4 years as chairman. He served as a director of Nord Pacific Limited from 1994 to 2004 including as chairman for the last 2 years. Mr Roberts is currently chairman of Mithril Resources Limited, an Adelaide based publicly listed nickel exploration company. He is also the current president of the South Australian Chamber of Mines and Energy Incorporated, and chairman of the Discipline of Geology and Geophysics Industry Liaison Committee, University of Adelaide.

Trevor Ireland MSc, FAusIMM, GAICD – *Managing Director*

Trevor Ireland holds an Honours Degree in Economic Geology (Adelaide University), a Masters Degree in Exploration and Mining Geology (Leicester University) and a Diploma of the Australian Institute of Company Directors. In a career spanning more than 35 years Mr Ireland has been associated with numerous mineral discoveries, economic evaluations, and mine developments in the Northern Territory, Western Australia, and West Africa. During the past 11 years he has served on the boards of a number of public companies including Normandy NFM Limited from 1995-99. During 2006 he resigned from the board of Nustar Mining Corporation Ltd (now Intrepid Mines Ltd).

Norton Jackson AM, FTSE, ME – *Non-Executive Director*

Norton Jackson has worked in mining, milling, and minerals separation and applied research for 25 years. Mr Jackson has served as director of mining companies and academic research organisations for 20 years. He is a non-executive director of Centrex Resources Limited.

Mick Billing BBus, ASA – *Non-Executive Director/Company Secretary*

Mick Billing holds a bachelor of Business degree from Curtin University of Technology. He is an accountant with in excess of 30 years of mining industry experience in company secretarial and chief financial officer roles. He has had experience with debt and equity raising and project evaluation and feasibility studies in Australia and overseas. He is a director of Southern Gold Limited, and an alternate director of Flinders Diamonds Limited.

Directors' Shareholdings (audited)

The following table sets out each director's relevant interest in shares in the Economic entity as at the date of this report.

2006

Director	Shares		Options	
	Direct	Indirect	Direct	Indirect
J B Roberts	100,139	110,000	716,736	55,000
T J Ireland	809,161	207,418	404,581	98,709
N Jackson	247,889	20,000	457,278	10,000
M R Billing	36,111	25,000	351,389	12,500

2005

Director	Shares		Options	
	Direct	Indirect	Direct	Indirect
J B Roberts	-	80,000	1,000,000	40,000
T J Ireland	799,161	-	399,581	-
N Jackson	101,000	-	550,500	-
M R Billing	-	-	500,000	-

The above table includes shares held by "director-related entities" which include immediate relatives of directors.

Remuneration Report (audited)

This report describes the remuneration arrangements in place for directors and executives of Australasia Gold Limited

The names of the directors of the Economic entity during or since the end of the financial year are: J B Roberts, T J Ireland, N Jackson, and M R Billing.

Remuneration Policy (audited)

The remuneration policy is designed to align director and executive objectives with shareholder and business objectives by providing a fixed remuneration package to non executive directors and time based remuneration to executive directors. The board of Australasia Gold believes the policy to be appropriate and effective in attracting and retaining the best directors and executives to manage and direct the economic entity.

All remuneration paid to directors and executives is valued at the cost to the Economic entity and expensed. Share options issued to directors as part of remuneration packages have been valued and charged against profit/loss.

The board policy is to remunerate non-executive directors at market rates for comparable companies for time, commitment and responsibilities. The board determines payments to the non-executive directors and reviews their remuneration annually, based upon market practice, duties, and accountability. Independent external advice is sought when required. The maximum aggregate of fees that can be paid to non-executive directors is subject to approval by shareholders (currently \$100,000). Current board policy is not to seek an increase in the aggregate of directors' fees until significant exploration success is achieved. Fees for non-executive directors are not linked to the performance of the economic entity.

Performance Based Remuneration (audited)

The Economic entity currently has no performance based remuneration component built into director and executive remuneration packages.

The Economic entity has one executive director, and three non-executive directors. The managing director is paid a salary, while non-executive directors are paid directors' fees. The directors do not currently participate in any incentive scheme. Directors' option holdings are disclosed under Directors' Shareholdings above.

Remuneration packages contain the following key elements:

- Primary benefits – salary/fees;
- Post employment benefits – superannuation

DIRECTORS' REPORT

A U S T R A L A S I A G O L D L I M I T E D

Performance Based Remuneration (audited) continued

The following table discloses the remuneration of the directors of the Economic entity.

2006	Salary & Fees \$	Post Employment \$	Total \$
J B Roberts	18,750	-	18,750
T J Ireland (i)	221,332	75,582	296,914
N Jackson	15,000	-	15,000
M R Billing	21,600	1,800	23,400
Total	276,682	77,382	354,064

(i) Amounts paid to Mr Ireland during the 2006 year included amounts due from prior years conditional upon listing on the Australian Stock Exchange

2005	Salary & Fees \$	Post Employment \$	Total \$
J B Roberts	-	-	-
T J Ireland	16,200	-	16,200
N Jackson	-	-	-
M R Billing	-	-	-
Total	16,200	-	16,200

Remuneration Objectives – Executive Officers and Senior Management (audited)

To achieve its objectives of discovery of economic resources in a cost effective manner, Australasia Gold aims to attract and retain a skilled senior management team focussed upon contributing to that objective. To do this the Board has established a principle of offering competitive remuneration packages.

Service Agreement – Managing Director (audited)

Remuneration and other items of employment for the Managing Director, Mr Trevor Ireland, are contained in a service agreement formalised by the Board. The major provisions are as follows:

- Mr Ireland agrees to provide his services for 2 years commencing from the listing of the company on the Australian Stock Exchange on 18 January 2006
- Remuneration of \$150,000 per annum plus statutory superannuation and the use of a fully maintained motor vehicle of the value of \$50,000
- Termination without cause by the company with the provision of 6 months notice in the first year of the contract and with the provision of 3 months notice during the second year of the contract.

Service Agreement – Non-executive directors (audited)

The Economic entity entered into service agreements with an entity associated with Mr Billing from 18 January 2006, with a term covering his term as a director, according to the constitution of the Economic entity. Details of the current service agreements are set out below:


Director	Associated Entity	Terms
M R Billing	MBB Trading Pty Ltd	Daily rate of \$800

Meetings of Directors

The number of meetings of the Economic entity's Board of Directors attended by each Director during the year ended 30 June 2006 was:

	Number of Board Meetings Held	Number of Board Meetings Attended
J B Roberts	17	16
T J Ireland	17	17
N Jackson	17	14
M R Billing	17	17

This report is made in accordance with a resolution of the Directors, dated 29th September, 2006.



J B Roberts
Chairman



M R Billing
Director

DIRECTORS' DECLARATION

A U S T R A L A S I A G O L D L I M I T E D

The Directors of the Company declare that:

- 1 The financial statements and notes as set out on pages 21 to 37 are, in accordance with the Corporations Act 2001:
 - a) comply with Accounting Standards and the Corporations Regulations 2001; and
 - b) give a true and fair view of the financial position as at 30 June 2006 and of the performance for the year ended on that date of the Company;

- 2 in the Directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.



Chairman
J B Roberts

Dated this 29th September, 2006

AUDITORS' INDEPENDENCE DECLARATION
UNDER SECTION 307C OF THE CORPORATIONS ACT 2001

A U S T R A L A S I A G O L D L I M I T E D

To the Directors of Australasia Gold Limited

As auditor for the audit of Australasia Gold Limited for the year ended 30 June 2006, I declare that to the best of my knowledge and belief, there have been:

- a) no contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and
- b) no contravention of any applicable code of professional conduct in relation to the audit.



HLB MANN JUDD
(SA Partnership)
Chartered Accountants



PHIL PLUMMER
PARTNER

Adelaide, 29 September 2006

AustralasiaGold

LIMITED

F I N A N C I A L

R E P O R T

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**CONSOLIDATED
INCOME STATEMENT FOR THE
YEAR ENDED 30 JUNE 2006**

A U S T R A L A S I A G O L D L I M I T E D

	Notes	Consolidated		Parent entity	
		2006 \$	2005 \$	2006 \$	2005 \$
Revenues from ordinary activities	2	82,285	7,727	82,285	7,727
Expenses from ordinary activities					
– Salaries wages and oncosts		(55,543)	-	(55,543)	-
– Audit and accounting fees	17	(15,750)	(5,000)	(15,750)	(5,000)
– Consulting Fees – director-related entity		(11,860)	(3,240)	(11,860)	(3,240)
– Directors’ fees		(46,950)	-	(46,950)	-
– Insurance		(30,575)	(2,241)	(30,575)	(2,240)
– Other consulting expenses		(25,784)	(5,150)	(25,784)	(5,150)
– Shareholder relations		(10,081)	-	(10,081)	-
– Other expenses from ordinary activities		(39,477)	(5,219)	(39,477)	(5,209)
– Share based remuneration	14	-	(7,028)	-	(7,028)
– Foreign exchange gain/(loss)		7,018	15,381	-	-
Net profit/(loss) from ordinary activities before income tax expense		(146,717)	(4,770)	(153,735)	(20,140)
Income tax expense relating to ordinary activities	3	-	-	-	-
Profit/(loss) from ordinary activities after related income tax expense		(146,717)	(4,770)	(153,735)	(20,140)
Profit (loss) from ordinary activities and extraordinary items after related income tax expense		(146,717)	(4,770)	(153,735)	(20,140)
Basic earnings per share (cents/share)	20	(0.645)	(0.027)		
Diluted earnings per share (cents/share)	20	(0.645)	(0.027)		

The above income statement should be read in conjunction with the accompanying notes.

CONSOLIDATED
BALANCE SHEET AS AT
30 JUNE 2006

A U S T R A L A S I A G O L D L I M I T E D

	Notes	2006 \$	Consolidated 2005 \$	2006 \$	Parent entity 2005 \$
Current Assets					
Cash and cash equivalents	4	2,398,941	179,399	2,398,939	179,342
Trade receivables	5	64,681	6,695	64,681	6,695
Other financial assets	6	4,928	24,654	4,928	24,654
Total Current Assets		2,468,550	210,748	2,468,548	210,691
Non-current Assets					
Receivables	7	20,000	20,000	673,228	544,764
Other financial assets	8	-	-	1,520,434	1,520,434
Plant and equipment	9	7,145	-	7,145	-
Exploration & Evaluation Expenditure	10	2,793,985	2,569,683	597,937	509,050
Total Non-Current Assets		2,821,130	2,589,683	2,798,744	2,574,248
Total Assets		5,289,680	2,800,431	5,267,292	2,784,939
Current Liabilities					
Trade and other payables	11	34,282	33,043	34,282	32,921
Provision for employee entitlements	12	7,989	-	7,989	-
Total Current Liabilities		42,271	33,043	42,271	32,921
Non-current Liabilities					
Provision for employee entitlements	12	2,596	-	2,596	-
Total Non-Current Liabilities		2,596	-	2,596	-
Total Liabilities		44,867	33,043	44,867	32,921
Net Assets		5,244,813	2,767,388	5,222,425	2,752,018
Equity					
Issued capital	13	5,502,423	2,878,281	5,502,423	2,878,281
Reserves	14	7,028	7,028	7,028	7,028
Retained losses		(264,638)	(117,921)	(287,026)	(133,291)
Total Equity		5,244,813	2,767,388	5,222,425	2,752,018

The above balance sheet should be read in conjunction with the accompanying notes.

**CONSOLIDATED
CASH FLOW STATEMENT FOR THE
YEAR ENDED 30 JUNE 2006**

A U S T R A L A S I A G O L D L I M I T E D

Notes	Consolidated	Parent entity	2006	2005
	2006	2005	2006	2005
	\$	\$	\$	\$
Cash flows from operating activities				
Payments to suppliers and employees	(266,143)	(48,089)	(266,088)	(59,436)
Interest received	76,858	7,727	76,858	7,727
Net cash used in operating activities <i>(Note a)</i>	(189,285)	(40,362)	(189,230)	(51,709)
Cash flows from investing activities				
Payments for property, plant and equipment	9 (7,426)	-	(7,426)	-
Payments for Exploration & Project Evaluation	(207,889)	(66,864)	(79,425)	(8,006)
Funding of controlled entity	7 -	-	(128,464)	(47,406)
Net cash used in investing activities	(215,315)	(66,864)	(215,315)	(55,412)
Cash flows from financing activities				
Issue of shares	3,212,680	181,000	3,212,680	181,000
Capital Raising costs	(588,538)	(17,466)	(588,538)	(17,466)
Net cash provided from financing activities	2,624,142	163,534	2,624,142	163,534
Net increase/(decrease) in cash held	2,219,542	56,308	2,219,597	56,413
Cash at beginning of year	179,399	123,091	179,342	122,929
Cash at end of year	4 2,398,941	179,399	2,398,939	179,342
Note (a): Reconciliation of operating loss after income tax to net cash used in operating activities				
Operating profit/(loss) after income tax	(146,717)	(4,770)	(153,735)	(20,140)
Add: Depreciation	281	-	281	-
Foreign exchange (gain)/loss	(7,018)	-	-	-
Share based remuneration	-	7,028	-	7,028
Change in assets and liabilities				
(Increase)/Decrease in Other (Prepayments)	19,726	(24,654)	19,726	(24,654)
(Increase)/Decrease in receivables	(57,986)	(896)	(57,986)	(896)
Increase/(Decrease) in payables	(8,156)	(17,070)	(8,101)	(13,047)
Increase/(Decrease) in provisions	10,585	-	10,585	-
Net cash used in operating activities	(189,285)	(40,362)	(189,230)	(51,709)

The above cash flow statement should be read in conjunction with the accompanying notes.

**CONSOLIDATED STATEMENT
OF CHANGE IN EQUITY FOR THE
YEAR ENDED 30 JUNE 2006**

	Consolidated entity				Parent entity			
	Share Capital \$	Accumulated Losses \$	Reserve \$	Total \$	Share Capital \$	Accumulated Losses \$	Reserve \$	Total \$
Balance at 1 July 2004	2,714,747	(113,151)	-	2,601,596	2,714,747	(113,151)	-	2,601,596
Profit/(loss) attributable to members of the parent entity	-	(4,770)	-	(4,770)	-	(20,140)	-	(20,140)
Movement in reserve	-	-	7,028	7,028	-	-	7,028	7,028
Issue of Share Capital	163,534	-	-	163,534	163,534	-	-	163,534
Balance at 30 June 2005	2,878,281	(117,921)	7,028	2,767,388	2,878,281	(133,291)	7,028	2,752,018
Balance at 1 July 2005	2,878,281	(117,921)	7,028	2,767,388	2,878,281	(133,291)	7,028	2,752,018
Profit/(loss) attributable to members of the parent entity	-	(146,717)	-	(146,717)	-	(153,735)	-	(153,735)
Movement in reserve	-	-	-	-	-	-	-	-
Issue of Share Capital	2,624,142	-	-	2,624,142	2,624,142	-	-	2,624,142
Balance at 30 June 2006	5,502,423	(264,638)	7,028	5,244,813	5,502,423	(287,026)	7,028	5,222,425

NOTES TO AND FORMING PART
OF THE FINANCIAL STATEMENTS FOR
THE YEAR ENDED 30 JUNE 2006

A U S T R A L A S I A G O L D L I M I T E D

1 Statement of Significant Accounting Policies

The financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards, Urgent Issues Group Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board 1 and the Corporations Act 2001.

The financial report covers the economic entity of Australasia Gold Limited and controlled entities, and Australasia Gold Limited as an individual parent entity. Australasia Gold Limited is a listed public company, incorporated and domiciled in Australia.

The financial report of Australasia Gold Limited and controlled entities, and Australasia Gold Limited as an individual parent entity comply with all Australian equivalents to International Financial Reporting Standards (AIFRS) in their entirety.

The following is a summary of the material accounting policies adopted by the economic entity in the preparation of the financial report. The accounting policies have been consistently applied unless otherwise stated.

Basis of Preparation

First-time Adoption of Australian Equivalents to International Financial Reporting Standards

Australasia Gold Limited and controlled entities, and Australasia Gold Limited as an individual parent entity have prepared financial statements in accordance with the Australian equivalents to International Financial Reporting Standards (AIFRS) from 1 July 2005.

In accordance with the requirements of AASB 1: First-time Adoption of Australian Equivalents to International Financial Reporting Standards, adjustments to the parent entity and Economic entity accounts resulting from the introduction of AIFRS have been applied retrospectively to 2005 comparative figures. These consolidated accounts are the first financial statements of Australasia Gold Limited to be prepared in accordance with Australian equivalents to IFRS.

The accounting policies set out below have been consistently applied to all years presented. Reconciliations of the transition from previous Australian GAAP to AIFRS have been included in *Note 2* to this report.

Reporting Basis and Conventions

The financial report has been prepared on an accruals basis and is based on historical costs and do not take into account changing money values or current valuations of non current assets. Cost is based on the fair values of the consideration given in exchange for assets.

Accounting Policies

a) Principles of Consolidation

A controlled entity is any entity controlled by Australasia Gold Limited whereby Australasia Gold Limited has the power to control the financial and operating policies of an entity so as to obtain benefits from its activities.

A list of controlled entities is contained in *Note 23* to the financial statements. All controlled entities have a June financial year-end.

All inter-company balances and transactions between entities in the economic entity, including any unrealised profits or losses, have been eliminated on consolidation. Accounting policies of subsidiaries have been changed where necessary to ensure consistencies with those policies applied by the parent entity.

b) Income Tax

The economic entity adopts the liability method of tax-effect accounting whereby the income tax expense is based on the profit from ordinary activities adjusted for any non-assessable or disallowed items.

Deferred tax is accounted for using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or liability is settled. Deferred tax is credited in the income statement except where it relates to items that may be credited directly to equity, in which case the deferred tax is adjusted directly against equity.

Deferred income tax assets are recognised to the extent that it is probable that future tax profits will be available against which deductible temporary differences can be utilised.

The amount of benefits brought to account or which may be realised in the future is based on the assumption that no adverse change will occur in income taxation legislation and the anticipation that the economic entity will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by the law.

c) Property, Plant and Equipment

Each class of property, plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation and impairment losses.

Plant and equipment

Plant and equipment are measured on the cost basis less depreciation and impairment losses. The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the assets employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

The cost of fixed assets constructed within the economic entity includes the cost of materials, direct labour, borrowing costs and an appropriate proportion of fixed and variable overheads.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

Depreciation

The depreciable amount of all fixed assets including building and capitalised lease assets, but excluding freehold land, is depreciated on a straight line basis over their useful lives to the economic entity commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

The following estimated useful lives are used in the calculation of depreciation:

- Plant and equipment – at cost 3-5 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the income statement. When revalued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained earnings.

d) Exploration and Development Expenditure

Exploration, evaluation and development expenditure incurred is accumulated in respect of each identifiable area of interest.

These costs are only carried forward to the extent that they are expected to be recouped through the successful development of the area or where activities in the area have not yet reached a stage that permits reasonable assessment of the existence of economically recoverable reserves.

Accumulated costs in relation to an abandoned area are written off in full against profit in the year in which the decision to abandon the area is made.

When production commences, the accumulated costs for the relevant area of interest are amortised over the life of the area according to the rate of depletion of the economically recoverable reserves.

A regular review is undertaken of each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest.

e) Employee Benefits

Provision is made for the company's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits.

f) Impairment of Assets

At each reporting date, the Directors review the carrying value of all intangible assets to determine if there is any indication that those assets have been impaired. If such indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the assets carrying value over its recoverable amount is expensed to the income statement.

g) Provisions

Provisions are recognised when the group has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

h) Cash and Cash Equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within short-borrowings in current liabilities on the balance sheet.

NOTES TO AND FORMING PART
OF THE FINANCIAL STATEMENTS FOR
THE YEAR ENDED 30 JUNE 2006

A U S T R A L A S I A G O L D L I M I T E D

i) Revenue

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

Revenue from the rendering of a service is recognised upon the delivery of the service to the customers.

All revenue is stated net of the amount of goods and services tax (GST).

j) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the balance sheet are shown inclusive of GST.

Cash flows are presented in the cash flow statement on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

k) Financial Instruments

Recognition

Financial instruments are initially measured at cost on trade date, which includes transaction costs, when the related contractual rights or obligations exist. Subsequent to initial recognition these instruments are measured as set out below.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are stated at amortised cost using the effective interest rate method.

Held-to-maturity investments

These investments have fixed maturities, and it is the group's intention to hold these investments to maturity. Any held-to-maturity investments held by the group are stated at amortised cost using the effective interest rate method.

Financial liabilities

Non-derivative financial liabilities are recognised at amortised cost, comprising original debt less principal payments and amortisation.

l) Interests in Joint Ventures

The economic entity's share of the assets, liabilities, revenue and expenses of joint venture operations are included in the appropriate items of the consolidated financial statements. Details of the economic entity's interests are shown at *Note 23*.

m) Comparative Figures

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

The effect of changes in the accounting policy for financial instruments in the balance sheet as at 1 July 2005 is shown below:

	Consolidated entity			Parent entity		
	Previous GAAP 30/6/05 \$	Effect on adoption \$	A-IFRS 1/7/05 \$	Previous GAAP 30/6/05 \$	Effect on adoption \$	A-IFRS 1/7/05 \$
Current Assets						
Cash and cash equivalents	179,399	-	179,399	179,342	-	179,342
Trade and other receivables	6,695	-	6,695	6,695	-	6,695
Other financial assets	24,654	-	24,654	24,654	-	24,654
Total Current Assets	210,748	-	210,748	210,691	-	210,691
Non-current Assets						
Receivables	20,000	-	20,000	438,000	-	438,000
Other financial assets	-	-	-	1,520,434	-	1,520,434
Plant and equipment	-	-	-	-	-	-
Exploration and evaluation expenditure	2,569,683	-	2,569,683	615,814	-	615,814
Deferred tax asset	-	-	-	-	-	-
Total Non-Current Assets	2,589,683	-	2,589,683	2,574,248	-	2,574,248
Total Assets	2,800,431	-	2,800,431	2,784,939	-	2,784,939
Current Liabilities						
Trade and other payables	33,043	-	33,043	32,921	-	32,921
Provisions	-	-	-	-	-	-
Total Current Liabilities	33,043	-	33,043	32,921	-	32,921
Non-current Liabilities						
Provisions	-	-	-	-	-	-
Other liabilities	-	-	-	-	-	-
Total Non-Current Liabilities	-	-	-	-	-	-
Total Liabilities	33,043	-	33,043	32,921	-	32,921
Net Assets	2,767,388	-	2,767,388	2,752,018	-	2,752,018
Equity						
Issued capital	2,878,281	-	2,878,281	2,878,281	-	2,878,281
Reserves (i)	-	7,028	7,028	-	7,028	7,028
Accumulated losses	(110,893)	(7,028)	(117,921)	(126,263)	(7,028)	(133,291)
Total Equity	2,767,388	-	2,767,388	2,752,018	-	2,752,018

(i) Reserve value relates to share based remuneration outlined in *Note 14*.

AASB 112 "Income Taxes" requires the recognition of temporary differences associates with revenues and expenses taken directly to equity. The Economic entity has previously recognised transaction costs associated with capital raising directly in equity. The effect of this recognition is to increase share capital and a reduction in retained profit/(losses). The adjustment to retained profits(losses) reflects the directors view that the criteria for recognition of deferred tax assets has not been met.

NOTES TO AND FORMING PART
OF THE FINANCIAL STATEMENTS FOR
THE YEAR ENDED 30 JUNE 2006

A U S T R A L A S I A G O L D L I M I T E D

	Consolidated		Parent entity	
	2006	2005	2006	2005
	\$	\$	\$	\$
2 Revenue				
Operating Activities				
Interest Received	82,285	7,727	82,285	7,727
	82,285	7,727	82,285	7,727
3 Income Tax				
a) The prima facie income tax expense on pre-tax accounting loss reconciles to the income tax attributable to operating loss as follows:				
Profit/(loss) from ordinary activities	(146,717)	(4,770)	(153,735)	(20,140)
Income tax benefit calculated at 30% of operating loss	(44,015)	(1,431)	(46,121)	(6,042)
Tax effect of:				
Permanent differences				
Share based payment	-	2,108	-	2,108
Income tax attributable to the company	(44,015)	677	(46,121)	(3,934)
b) Future income tax benefits not brought to account, the benefits of which will only be realised if the conditions for deductibility set out in <i>Note 1(e)</i> occur				
Timing differences				
Employee benefits	3,178	-	3,178	-
Tax Loss				
Operating Losses	(44,015)	(677)	46,121	3,934
Loss on exploration expenditure	250,665	183,375	179,381	152,715
Loss on capital raising expenses	181,801	5,240	181,801	5,240
	391,629	187,938	410,481	161,889

The taxation benefits of tax losses and timing differences not brought to account will only be obtained if:

- i) assessable income is derived of a nature and of amount sufficient to enable the benefit from the deductions to be realised;
- ii) conditions for deductibility imposed by the law are complied with; and no changes in tax legislation adversely affect the realisation of the benefit from the deduction.

	2006 \$	Consolidated 2005 \$	2006 \$	Parent entity 2005 \$
4 Cash Assets				
Cash on hand and at bank	40,896	179,399	40,894	179,342
Term deposits	2,358,045	-	2,358,045	-
	2,398,941	179,399	2,398,939	179,342
5 Receivables – Current				
Other receivables	64,681	6,695	64,681	6,695
	64,681	6,695	64,681	6,695
6 Other Financial Assets				
Prepaid insurance expenses	4,928	24,654	4,928	24,654
	4,928	24,654	4,928	24,654
7 Receivables – Non-current				
Exploration tenement guarantees	20,000	20,000	-	-
Controlled entities	-	-	673,228	544,764
	20,000	20,000	673,228	544,764
8 Other Financial Assets – Non-current				
Unlisted investments at cost – controlled entities	-	-	1,520,434	1,520,434
	-	-	1,520,434	1,520,434
9 Plant and Equipment				
Plant and equipment at cost	7,426	-	7,426	-
Less: Accumulated depreciation	(281)	-	(281)	-
	7,145	-	7,145	-
Movement schedule for plant and equipment				
Opening written down value	-	-	-	-
Additions	7,426	-	7,426	-
Disposals	-	-	-	-
Depreciation	(281)	-	(281)	-
Closing written down value	7,145	-	7,145	-

NOTES TO AND FORMING PART
OF THE FINANCIAL STATEMENTS FOR
THE YEAR ENDED 30 JUNE 2006

A U S T R A L A S I A G O L D L I M I T E D

	Consolidated		Parent entity	
	2006	2005	2006	2005
	\$	\$	\$	\$
10 Exploration and Evaluation Expenditure				
Cost brought forward in respect of areas of interest in the exploration and evaluation stage	2,569,683	2,502,819	509,050	501,044
Expenditure incurred during the year	224,302	66,864	88,887	8,006
Expenditure written off during the year	-	-	-	-
Cost carried forward	2,793,985	2,569,683	597,937	509,050
11 Payables				
Trade accounts payable	28,849	33,043	28,849	32,921
Non trade accounts payable	5,433	-	5,433	-
	34,282	33,043	34,282	32,921
12 Employee Provisions				
The aggregate employee entitlement liability recognised in and included in the financial statements is as follows:				
Provision for employee entitlements				
Current	7,989	-	7,989	-
Non-current	2,596	-	2,596	-
	10,585	-	10,585	-
Movement schedule for employee provisions				
Opening balance	-	-	-	-
Additional provision	10,585	-	10,585	-
Entitlement utilised	-	-	-	-
Closing balance	10,585	-	10,585	-
The current provision portion relates to annual leave, while the non-current portion relates to long service leave.				
Number of employees at end of year	5	-	5	-

Consolidated

2006
\$

Parent entity
2005
\$

13 Issued Capital

Contributed equity comprises
30,128,212 fully paid ordinary shares (2005: 18,067,828)

5,502,423 2,878,281

Movement in issued shares for the year

Balance at beginning of financial year

Shares cancelled

Issued at 15 cents

Issued at 20 cents pursuant to public offer

Issued at 20 cents

Issued to consultants

Issued at 20 cents from exercise of options

Costs associated with the issue of shares

Balance at end of financial year

2006		2005	
No.	\$	No.	\$
18,067,828	2,878,281	16,861,161	2,714,747
(4,241,667)	-	-	-
343,333	51,500	1,206,667	181,000
15,593,328	3,118,413	-	-
203,835	40,767	-	-
161,555	-	-	-
10,000	2,000	-	-
-	(588,538)	-	(17,466)
30,138,212	5,502,423	18,067,828	2,878,281

The Company has granted options whereby each option is exercisable for conversion into one ordinary share at a price of 20 cents per share, expiring on 1 December 2006.

Options over ordinary shares

Options on issue at beginning of period

Options issued during the year

Options exercised during the year

Options cancelled during the year

Options on issue at end of period

11,533,915	8,430,581
14,663,798	3,103,334
(10,000)	-
(2,806,055)	-
23,381,658	11,533,915

Grant Date	Date of Expiry	Exercise Price	Number under Option
16-May-03	30-Jun-08	\$ 0.20	1,500
01-Jul-03	30-Jun-08	\$ 0.20	450,000
10-Jul-03	30-Jun-08	\$ 0.20	75,000
05-Sep-03	30-Jun-08	\$ 0.20	390,000
22-Sep-03	30-Jun-08	\$ 0.20	210,000
09-Oct-03	30-Jun-08	\$ 0.20	450,000
31-Dec-03	30-Jun-08	\$ 0.20	514,947
31-Mar-04	30-Jun-08	\$ 0.20	64,133
16-Apr-04	30-Jun-08	\$ 0.20	50,000
22-Apr-04	30-Jun-08	\$ 0.20	3,828,167
22-Apr-04	30-Jun-08	\$ 0.20	176,500
30-Nov-04	30-Jun-08	\$ 0.20	533,334
16-Dec-04	30-Jun-08	\$ 0.20	1,575,389
30-Jun-05	30-Jun-08	\$ 0.20	408,889
24-Jul-05	30-Jun-08	\$ 0.20	101,667
12-Sep-05	30-Jun-08	\$ 0.20	70,000
30-Dec-05	30-Jun-08	\$ 0.20	8,482,132
25-Aug-05	25-Aug-08	\$ 0.40	2,000,000
25-Aug-05	25-Aug-09	\$ 0.60	2,000,000
25-Aug-05	25-Aug-10	\$ 0.80	2,000,000
			23,381,658

NOTES TO AND FORMING PART
OF THE FINANCIAL STATEMENTS FOR
THE YEAR ENDED 30 JUNE 2006

A U S T R A L A S I A G O L D L I M I T E D

14 Reserves

At 30 June 2006 directors held the following options granted other than as part of the purchase of shares, which vest post 1 January 2005.

Director	Number of options
M R Billing	351,389

The share options are listed and may be exercised at any time from the date of their issue.

At the date of issue securities in the economic entity were not listed and there was no market for the options. Directors have valued these options at 2 cents each as at issue date.

15 Commitments for Expenditure, Contingent Liabilities and Contingent Assets

a) Exploration Expenditure Commitments

The Economic entity has certain obligations to perform exploration work and expend minimum amounts of money on such works on mineral exploration tenements.

These obligations will vary from time to time, subject to statutory approval. The terms of current and future joint ventures, the grant or relinquishment of licences, and changes to licence areas at renewal or expiry, will alter the expenditure commitments of the Economic entity.

Total expenditure commitments at balance date in respect of minimum expenditure requirements not provided for in the financial statements, where the status of the tenements is to remain unchanged, and excluding commitments where a joint venture party has agreed to meet the Economic entity's obligations, are approximately:

	2006 \$	2005 \$
Not later than one year:	273,000	286,000
Later than one year but not later than two years:	350,000	388,000
Later than two years but not later than five years:	-	-

b) Native Title

Native title claims have been made with respect to areas which include tenements in which Australasia Gold Limited has interests. The Economic entity is unable to determine the prospects for success or otherwise of the claims and, in any event, whether or not and to what extent the claims may significantly affect the Economic entity or its projects.

c) Contingent Liabilities

Other than as disclosed above the Economic entity has no contingent liabilities at 30 June 2006.

16 Remuneration of Directors and Executives

The Economic entity has applied the exemption under Corporations Amendments Regulations 2005 which exempts listed companies from providing remuneration disclosures in relation to their specified Directors and specified Executives in their annual financial reports by Accounting Standard AASB 1046 Director and Executive Disclosures by Disclosing Entities. These remuneration disclosures are provided in the "Remuneration Report" of the Director's Report and designated as "Audited".

17 Remuneration of Auditor

	2006	2005
	\$	\$
Audit and review of financial reports	15,750	5,000
Other Services	-	-

18 Related Party Disclosures

a) Equity Interests in related parties

Equity Interests in controlled entities

Details of the percentage of ordinary shares held in controlled entities are disclosed in *Note 22* to the financial statements.

Equity Interests in joint ventures

Details of interests in joint ventures are disclosed in *Note 17* to the financial statements.

b) Transactions within wholly owned group

The wholly owned group includes:

- The ultimate parent entity in the wholly-owned group and;
- The wholly-owned controlled entities

The ultimate parent entity in the wholly-owned group is Australasia Gold Limited.

Amounts receivable from the controlled entities are disclosed in *Note 10* to the financial statements.

During the financial year Australasia Gold Limited provided accounting and administrative services at no cost to the controlled entities and the advancement of interest free loans.

c) Transactions with directors

The following comprises payments made to entities in which directors have an interest.

	Economic entity		Parent entity	
	2006	2005	2006	2005
	\$	\$	\$	\$
T J Ireland (Ireland Resource Management Pty Ltd)	91,800	16,200	91,800	16,200
M R Billing (MBB Trading Pty Ltd)	8,400	-	8,400	-

NOTES TO AND FORMING PART
OF THE FINANCIAL STATEMENTS FOR
THE YEAR ENDED 30 JUNE 2006

A U S T R A L A S I A G O L D L I M I T E D

19 Financial Instruments

a) Interest Rate Risk

The exposure of Australasia Gold Limited to interest rate risk, which is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates and effective weighted average interest rates on those financial assets and financial liabilities, is as follows:

2005	Floating interest rate	Non-interest Bearing	Total	Weighted average interest rate
Financial assets				
Cash and deposits	179,399	-	179,399	4.54%
Receivables	-	6,695	6,695	-
Less: Payables	-	(33,043)	(33,043)	-
Net financial assets	179,399	(26,348)	153,051	
2006	Floating interest rate	Non-interest Bearing	Total	Weighted average interest rate
Financial assets				
Cash and deposits	2,398,939	-	2,398,939	5.58%
Receivables	-	64,682	64,682	-
Less: Payables	-	(34,282)	(34,282)	-
Net financial assets	2,398,939	30,400	2,429,339	

b) Credit Risk

The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date to recognised financial assets is the carrying amount, net of any provisions for doubtful debts, as disclosed in the balance sheet and notes to the financial statements.

Australasia Gold Limited does not have any material credit risk exposure to any single debtor or group of debtors under financial instruments.

c) Net Fair Value

Methods and assumptions used in determining net fair value.

The aggregate net fair values and carrying amounts of financial assets and financial liabilities are disclosed in the statement of financial position and in the notes to and forming part of the financial statements.

20 Earnings per Share

	Consolidated	
	2006 Cents per Share	2005 Cents per Share
Basic earnings per share/(loss)	(0.645)	(0.027)
Diluted earnings per share/(loss)	(0.645)	(0.027)
Basic and Dilutive Earnings per share		
The earnings and weighted average number of ordinary shares used in the calculation of basic and diluted earnings per share are as follows:		
	\$	\$
Earnings	(146,717)	(4,770)
Earnings used in the calculation of basic and diluted earnings per share agree directly to net loss in the statement of financial performance.		
	No.	No.
Weighted average number of ordinary shares used in calculation of earnings per share	22,739,467	17,480,705
Diluted weighted average number of ordinary shares used in calculation of earnings per share. These additional 18,710,697 (2005 9,814,324) securities are considered anti-dilutive and have not been applied in the calculation of diluted earnings per share	41,450,164	27,295,029

21 Segment Information

The Economic entity operates predominantly in the mining industry, in Australia and New Zealand.

22 Events after Balance Date

Other than as mentioned above, no matters or circumstances have arisen since the end of the financial year that have significantly affected, or may significantly affect;

- iii) The operations of the Economic entity or the results of those operations
- iv) The state of affairs of the Economic entity in the financial years subsequent to 30 June 2006.

23 Controlled Entity

Name of Entity	Country of Incorporation	Ownership Interest	
		2006 %	2005 %
Parent Entity			
Australasia Gold Limited	Australia		
Controlled Entity			
Otago Gold Limited	New Zealand	100%	100%
The Australian Land Company Limited	Australia	100%	100%

INDEPENDENT AUDIT REPORT

TO MEMBERS OF AUSTRALASIA GOLD LIMITED

A U S T R A L A S I A G O L D L I M I T E D

Scope

The financial report and directors' responsibility

The financial report comprises the income statement, balance sheet, statement of changes in equity, cash flow statement, accompanying notes to the financial statements and the directors' declaration for both Australasia Gold Limited ("the company") and the consolidated entity, for the year ended 30 June 2006.

The consolidated entity comprises both the company and entities it controlled during the year.

The directors of the company are responsible for the preparation and true and fair presentation of the financial report in accordance with the Corporations Act 2001. This includes responsible for the maintenance of adequate accounting records and internal controls designed to prevent and detect fraud and error, for the accounting policies and for the accounting estimates within the financial report.

Audit approach

We conducted an independent audit in order to express an opinion to the members of the company. Our audit was conducted in accordance with Australian Auditing Standards, in order to provide reasonable assurance that the financial report is free of material misstatement. The nature of an audit is influenced by several factors including the use of professional judgment, selective testing, the inherent limitations of internal control and the availability of audit evidence which may be persuasive rather than conclusive. Accordingly, an audit cannot guarantee that all material misstatements have been detected.

We performed procedures to assess whether, in all material aspects, the financial report presents fairly, in accordance with the Corporations Act 2001, including compliance with Accounting Standards and other mandatory financial reporting requirements in Australia, a view which is consistent with our understanding of the company's and the consolidated entity's financial position, and of their performance as represented by the results of their operations, changes in equity and cash flows.

We formed our audit opinion on the basis of these procedures, which included:

- examining, on a test basis, information to provide evidence supporting the amounts and disclosures in the financial report, and
- assessing the appropriateness of the accounting policies and disclosures used and the reasonableness of significant accounting estimates made by the directors.

When determining the nature and extent of our procedures we considered the effectiveness of management's internal controls over financial reporting. Our audit was not designed to provide assurance in relation to internal controls.

Independence

In conducting our audit, we followed applicable independence requirements of Australian professional ethical pronouncements and the Corporation Act 2001.

The Directors Report attached to the financial statements includes a copy of the independence Declaration dated 29 September 2006 given to the Directors by us for the audit.

Audit opinion

In our opinion, the financial report of Australasia Gold Limited is in accordance with:

- a) the Corporations Act 2001, including:
 - i) giving a true and fair view of the company's and consolidated entity's financial position as at 30 June 2006 and of their performance for the year ended on that date; and
 - ii) complying with Accounting Standards in Australia and the Corporations Regulations 2001; and
- b) other mandatory financial reporting requirements in Australia.

HLB MANN JUDD
(SA Partnership)
Chartered Accountants

PHIL PLUMMER
PARTNER

Adelaide, 29 September 2006

SHAREHOLDER INFORMATION

A U S T R A L A S I A G O L D L I M I T E D

The shareholder information set out below was applicable as at 31 August 2006.

1 Substantial Equity Holders

Name	Fully Paid Shares	
	Number	Percentage
South Cove Ltd	7,642,333	25.35

2 Number of Shareholders

Number of Shareholders	Class of Shares	Voting Rights
613	ORD	Full

3 Distribution of Equity Securities

Distribution of holdings:	Number of Holders	Ordinary Shares
1-1,000	5	3,670
1,001-5,000	119	367,131
5,001-10,000	184	1,727,011
10,001-100,000	266	10,795,038
100,001-and over	39	17,252,862
Holding less than a marketable parcel	100	252,851

4 Twenty Largest Shareholders

The names of the twenty largest holders of fully paid ordinary shares comprise:

Name	Number Held	Percentage of Issued Shares
South Cove Ltd	7,642,333	25.35
Rollason Pty Ltd	825,000	2.74
Mr Trevor John Ireland	809,161	2.68
Victory Crest Pty Ltd (Samuel Tusa Family No 2 A/c)	505,000	1.68
Australian Investors Pty Ltd	500,000	1.66
Sheoak Runner Pty Ltd	500,000	1.66
Drill Investments Pty Ltd	439,500	1.46
Commodity Traders (NZ) Ltd	400,000	1.33
Summit Twenty Five Pty Ltd (Megalina Super Fund A/c)	350,000	1.16
Gaynor Crago	300,000	1.00
Mr Richard James Leigh Hutchens	300,000	1.00
First NZ Capital Custodians Limited (Clients Securities A/c)	251,000	0.83
Ms Kelly Lynette Cameron	250,000	0.83
Mr Ahmet Yalaz + Mrs Nalan Yalaz	250,000	0.83
Mr Norton Jackson	247,889	0.82
ANZ Nominees Limited (Cash Income A/c)	239,780	0.80
Ms Mary McLeod	213,333	0.71
Sheoak Runner Pty Ltd (Santich Media A/c)	210,000	0.70
Brucar Pty Ltd	200,000	0.66
Gecko Resources Pty Ltd	200,000	0.66
	14,632,996	48.56

The names of the twenty largest holders of quoted 2007 options comprise:

Name	31 March 2007	
	Number Held	Percentage of Issued Options
South Cove Ltd	3,821,667	22.0
Mr John Barry Roberts	696,736	4.01
Drill Investments Pty Ltd	650,000	3.74
Summit Twenty Five Pty Ltd (Megalina Super Fund A/c)	542,500	3.12
Arcon Pty Ltd	500,000	2.88
Rollason Pty Ltd	500,000	2.88
Mr Norton Jackson	457,278	2.63
Mr Richard James Leigh Hutchens	410,500	2.36
Mr Trevor John Ireland	404,580	2.33
Mr Michael Robert Billing	351,389	2.02
Baron Partners Limited	301,134	1.73
Cameron Securities Pty Ltd	300,000	1.73
Australian Investors Pty Ltd	250,000	1.44
Sheoak Runner Pty Ltd	250,000	1.44
Mainbreak Securities Pty Ltd	224,999	1.30
Commodity Traders (NZ) Ltd	200,000	1.15
Gaynor Crago	150,000	0.86
Mr Graham Hendricks	150,000	0.86
Ms Mary McLeod	106,667	0.61
Brucar Pty Ltd	100,000	0.58
	10,467,450	59.67

CORPORATE DIRECTORY

A U S T R A L A S I A G O L D L I M I T E D

Directors John Barry Roberts *(Non Executive Chairman)*
 Trevor John Ireland *(Managing Director)*
 Norton Jackson *(Non Executive Director)*
 Michael Robert Billing *(Non Executive Director)*

Company Secretary Michael Robert Billing

Registered Office Unit 12, Stirling Tiers
 49 Mt Barker Road
 STIRLING, SA, 5152
 Telephone: +61 8 8339 0580
 Facsimile: +61 8 8339 0535

Solicitors Lynch Meyer Lawyers
 190 Flinders Street
 Adelaide South Australia 5000
 Telephone: +61 8 8223 7600
 Facsimile: +61 8 8223 4348

Auditors HLB Mann Judd
 Chartered Accountants
 82 Fullarton Road
 NORWOOD, SA, 5067
 Telephone: +61 8 8130 2000
 Facsimile: +61 8 8363 1980

Bankers ANZ Banking Group
 STIRLING, SA, 5152

Website www.australasiagold.com.au

