Principal Registrar  
as Delegate of the Minister  
Dept Business, Industry and Resource Development  
5th Fl. Centrepoint Bldg  
48-50 Smith St  
DARWIN NT 0800  

Attn Mr J Whitfield,  

Dear Mr Whitfield  

MCN 3578, 20, 21, 22, 23, 24, 25, 1313 – GLENCOE AREA  

PREAMBLE  
This letter is the report on the exploration activities carried out on the above claim areas during the year preceding the anniversary date of 5 October 2003 and required under Section 93 of the NT Mining Act to be lodged with the Department by 5 January 2004. Ultimate ownership of these tenements was in the process of transfer to Australasia Gold Ltd at the end of the year. The management of Australasia Gold Ltd has signalled its intention to raise funds via an IPO in the early part of 2004. These funds would be applied in part to the continuing evaluation and development of the Glencoe tenement block.  

TOTAL EXPENDITURE DURING THE YEAR  
A total expenditure of $20,000 was incurred on exploration and related activities during the year.  

ACTIVITIES CARRIED OUT ON THE CLAIMS DURING THE YEAR  
➢ The Managing Director and Chairman of Australasia Gold Limited conducted a detailed field inspection of the project area with Mr Dave Langley  
➢ A consultant geologist, Mr. Dave Fielding, was engaged to review all existing data and his selected comments are reproduced in the following sections  
➢ Mr Fielding also undertook confirmation of the details of underlying reports and records in Sydney with Messrs Bunny and Milligan during the year  
➢ Ore Resource Evaluation Services (ORES) was engaged to review the resource records  

RESULTS OF DATA REVIEW  
The Glencoe gold deposit (contained within the above claims) is considered by Mr. Dave Fielding to be the cornerstone of Australasia Gold’s Northern Territory projects. The area includes minimal outcrop and bulk sample pits excavated by previous owners are partly filled with water. This deposit was discovered and evaluated throughout in a professional manner by a single company Magnum Gold NL through their consulting geologists Earth Resources Australia (ERA). Data quality was uniformly excellent. Mr Fielding did not complete an independent estimate of the Glencoe resource. For his report, the resource estimation process used by ERA at Glencoe and the impact on this resource of bulk sampling and tribute mining were examined by the him in association with an independent specialist (ORES).
A published geological resource of 1.5 MT @ 2.04 g/t Au in 4 deposits was determined at Glencoe by past owners Magnum Gold Ltd. Mineralisation occurs as quartz veins developed close to the crest of a sheared antiform in turbidites of the Mt Bonnie Formation. The resource has been reduced in the upper part by bulk sampling to a depth of 10 metres. Gold recoveries between 87% and 97% were achieved in oxide mineralisation. Limited test work indicated gold recoveries between 66% and 89% in primary mineralisation.

**ANTICIPATED PROGRAM / ESTIMATED EXPENDITURE FOR THE FOLLOWING YEAR**
Australasia plans to complete a feasibility study of mining the Glencoe deposit, within 12 months of listing, by a programme of metallurgical and geotechnical investigations and resource confirmation drilling. The amount of expenditure which can be completed during the current 12 month period will be determined by the timing of completion of the IPO but is expected to be at least $50,000.

If any further information is required by the Department please do not hesitate to contact me.

Yours faithfully

Trevor J. Ireland
Managing Director
Australasia Gold Limited