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February 20th 2004

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

ANNUAL REPORT FOR THE PERIOD 1 Jan 2003 – 31 Dec 2003
MCN 4248 – Glencoe, MCN 4254 Redbank, MLN 816 – Porters, MLN 872-874 Johns Hill,
MLN 875-877 and 883 Star of the North, MLN 878-879 Great Northern,
MLN 880-882 Great Western, MLN 898 Good Shepherd

PREAMBLE
This letter is the report on exploration activities carried out on the above MCN's and MLN's during
the year preceding the anniversary date of 31 December 2003, required under Section 93 of the
NT Mining Act to be lodged with the Department by 31 March 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 these Mineral Claims and Leases.

TOTAL EXPENDITURE DURING THE YEAR
A total expenditure of $10,000 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 Mineral Claims and Leases 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 estimates

RESULTS OF DATA REVIEW
MCN 4248 – Part of the Glencoe gold deposit
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.

MCN 4254 – Redbank
Located 3 km west of the Glencoe project, the sediments at Redbank are also thought to form part of the Mount Bonnie Formation. Made up of two areas of scorodite rich gossan 180 metres apart, grab rock chip values up to 8 g/t gold are reported from the easternmost gossan. A percussion drill intercept of 8m @ 19.33 g/t Au has been previously reported at shallow depth with a costean intercept of 8 m @ 10.9 g/t Au at surface. The possibility of a small steeply plunging shoot of high-grade mineralisation remains to be fully tested.

MLN 872-874 Johns Hill
Workings are located within a 400 metre long arsenic soil anomaly which is open to the south beneath extensive colluvium. Grab samples from mullock heaps previously returned gold values between 1.1 g/t Au and 19.5 g/t Au. Previous exploration in 9 costeans and 12 RC drill holes returned very low values.

MLN 875-877 and 883 Star of the North
Old workings are located on a 150 m long NE trending pyrite rich quartz lode exposed on a low rise in an area of poor outcrop. Pan d'Or previously obtained a best value of 0.2 m @ 22.5 g/t Au from a diamond drill hole. Costeans with values up to 2.9 g/t Au were followed up with RC drill holes achieving encouraging results of up to 4 m @ 2.4 g/t Au.

MLN 878-879 Great Northern
Previous sampling at this Mineral Lease returned values of up to 8.8 g/t Au at surface with a diamond drill hole showing 1.7 g/t Au over a width of 0.3 m.

MLN 880-882 Great Western
Shallow workings are located on a series of 6 quartz veins over a strike length of about one km. Two previous diamond drill holes achieved a best intersection of 1.15 m @ 4 g/t Au.

MLN 898 Good Shepherd, MLN 816 – Porters
Introductory review of the files was undertaken by the new management.

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.

Immediate work at all the other satellite deposits will be principally geological in nature, including compilation and reinterpretation of past exploration results and assessment of their exploration potential. Field programs, probably IP surveys, prior to drilling will commence in the second year.

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