

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Annual General Meeting of **Australasia Gold Limited** will be held at 160 O'Connell Street North Adelaide on Thursday 30th November 2006 at 11.00 am.

Ordinary Business

Financial Report

To receive and consider the Company's financial statements and independent audit report for the year ended 30 June 2006.

Resolution 1. Remuneration Report

To approve the Remuneration Report contained in the Directors Report for the year ended 30 June 2006.

Resolution 2. Election of a Director

Mr Norton Jackson retires as a Director in accordance with the Company's Constitution and being eligible, offers himself for re-election.

Other Business

Resolution 3. Employee Share Option Plan

To approve the adoption of an Employee Share Option Plan.

The Company will disregard any votes cast on this resolution by any director or employee of the Company or any of their associates.

However the company will not disregard a vote if:

- It is cast by a person as proxy for a person who is entitled to vote in accordance with the directions on the proxy form; or
- It is cast by a person chairing the meeting as proxy for a person who is entitled to vote in accordance with a direction on the proxy form to vote as the proxy decides.

Resolution 4. Ratification of an issue of shares

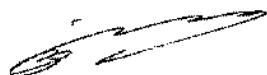
That for the purpose of Listing Rule 7.4 of the listing rules of the Australian Stock Exchange, and for all other purposes the issue of up to 1,192,370 ordinary shares in the capital of the Company, in accordance with the attached Explanatory Memorandum, be approved.

The Company will disregard any votes cast on this resolution by members of the Murninnie Mine Syndicate or any associate of that entity.

However the company will not disregard a vote if:

- It is cast by a person as proxy for a person who is entitled to vote in accordance with the directions on the proxy form; or
- It is cast by a person chairing the meeting as proxy for a person who is entitled to vote in accordance with a direction on the proxy form to vote as the proxy decides.

By order of the Board



M R Billing

Company Secretary

Dated this 23rd Day of October 2006

Voting Entitlements

Pursuant to the Corporations Regulations 2001.7.11.37 made pursuant to Section 1074E(2)(g) of the Corporations Act 2001, the Directors have determined that the shareholding of each shareholder for the purposes of ascertaining the voting entitlements for the Annual General Meeting will be as it appears in the share register at close of business on 28 November 2006.

Proxies

A shareholder has the right to appoint a proxy, who need not be a shareholder of the Company. If a shareholder is entitled to cast two or more votes they may appoint two proxies and may specify the percentage of votes each proxy is appointed to exercise. The Proxy form must be deposited at the share registry of the Company, Computershare Investor Services Pty Limited, located at Level 5, 115 Grenfell Street, Adelaide SA 5000, or by facsimile to Computershare on 61 8 8236 2305 not later than 48 hours before the commencement of the meeting.

AUSTRALASIA GOLD LIMITED
ABN 93 104 757 904
EXPLANATORY MEMORANDUM

This Explanatory Memorandum has been prepared to assist shareholders in consideration of resolutions proposed for the Annual General Meeting of the Company to be held on 30 November 2006 at 160 O'Connell Street North Adelaide, SA commencing at 11.00am.

It should be read in conjunction with the Notice of Annual General Meeting.

Resolution 3 - Employee Share Option Plan

Resolution 3 seeks approval for the establishment of a Plan to assist with the attraction and retention of employees of the Company.

It is intended that the Plan will be excluded from ASX Listing Rule 7.1 under listing rule 7.2 Exception 9 and to this end the following information is provided.

A summary of the rules of the Plan is set out below:

All employees will be eligible to participate in the Plan.

The allocation of options to each employee, or nominee of the employee, is at the discretion of the Board.

Each option is to subscribe for one fully paid share in the Company and will expire 5 years from its date of issue. An option is exercisable at any time from its date of issue.

Each option shall be issued free. The exercise price of options will be determined by the Board, subject to a minimum price equal to 90% of the market price of the Company's shares at the time the options are offered.

The total number of shares the subject of options issued under the Plan, when aggregated with issues during the previous 5 years pursuant to the Plan, must not exceed 5% of the Company's share capital.

If, prior to the expiry date of options, a person ceases to be an employee of a group company for reason other than retirement at age 60 or more (or such earlier age as the Board permits), permanent disability, redundancy or death, the options held by the employee (or nominee) must be exercised within 3 months thereafter otherwise they will automatically lapse. If an employee dies, the options held by that person will be exercisable by that person's legal representative.

Options may not be transferred other than to the legal representative of a deceased option holder.

The Company will not apply for official quotation of options issued under this Plan.

Shares issued from the exercise of options shall rank equally with all other ordinary shares issued by the Company.

If there is a bonus share issue to holders of shares, the number of shares over which an option is exercisable will be increased by the number of shares which the option holder would have received if the option had been exercised before the record date for the bonus issue.

If there is a pro rata issue (other than a bonus share issue) to the holders of shares, the exercise price of an option shall be reduced to take account of the effect of the pro rata issue.

If there is a reorganisation of the issued capital of the Company, unexercised options will be reorganised in accordance with the Listing Rules of the Australian Stock Exchange.

No securities have been issued under this Plan since the incorporation of the Company.

The Company will disregard any votes cast on this resolution by any director or employee of the Company or any of their associates.

However the company will not disregard a vote if:

- It is cast by a person as proxy for a person who is entitled to vote in accordance with the directions on the proxy form; or
- It is cast by a person chairing the meeting as proxy for a person who is entitled to vote in accordance with a direction on the proxy form to vote as the proxy decides.

Resolution 4 - Ratification of an issue of shares

Resolution 4 seeks ratification, pursuant to Australian Stock Exchange ASX Listing Rule 7.4 for the issue of up to 1,192,370 shares to members of the Murninnie Mine syndicate, notified to the ASX on 23 August 2006.

Under ASX Listing Rule 7.1, a company may not issue more than 15% of issued capital in any 12 month period without obtaining shareholder approval or being within certain exceptions set out in ASX Listing Rule 7.2. ASX Listing Rule 7.4 states that an issue of securities made without approval under Listing Rule 7.1 will be made with approval for the purposes of Listing Rule 7.1 if the issue did not breach Listing Rule 7.1 and holders of ordinary shares subsequently approve the issue.

Shareholder approval is therefore retrospectively sought pursuant to ASX Listing Rule 7.4 for the issue of up to 1,192,370 shares to members of the Murninnie Mine syndicate as part consideration for the acquisition of a 45% interest in Exploration Licence EL 3542 and Private Mine 156 in South Australia. The shares shall be issued on the same terms as all existing shares in the Company.

Although the issue of these securities was not in excess of the limits prescribed by ASX Listing Rule 7.1, shareholder approval is sought to ensure the Company maintains flexibility during the upcoming 12 month period to supplement the Company's working capital requirements, should the Board determine this to be in the best interests of the Company.

The Company will disregard any votes cast on this resolution by members of the Murninnie Mine syndicate or any associate of that entity.

However the company will not disregard a vote if:

- It is cast by a person as proxy for a person who is entitled to vote in accordance with the directions on the proxy form; or
- It is cast by a person chairing the meeting as proxy for a person who is entitled to vote in accordance with a direction on the proxy form to vote as the proxy decides.

Mark this box with an "X" if you have made any changes to your address details (see reverse)



AAO
MS SALLY ON NI LAY
3 MCPHERSON STREET
KARAMA NT 0812

All correspondence to:
Computershare Investor Services Pty Limited
GPO Box 1903 Adelaide
SA 5001 Australia
Enquiries (within Australia) 1300 556 161
(outside Australia) 61 3 9415 4000
Facsimile 61 8 8236 2305
www.computershare.com

Securityholder Reference Number (SRN)



I 0001001078

IND

Appointment of Proxy

I/We being a member/s of Australasia Gold Limited and entitled to attend and vote hereby appoint



the Chairman
of the Meeting
(mark with an "X")

OR



If you are not appointing the Chairman of the Meeting as your proxy please write here the full name of the individual or body corporate (excluding the registered Securityholder) you are appointing as your proxy.

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, as the proxy sees fit) at the Annual General Meeting of Australasia Gold Limited to be held at 180 O'Connell Street, North Adelaide, South Australia on Thursday, 30th November 2005 at 11.00 am and at any adjournment of that meeting.

IMPORTANT: FOR ITEM 3 BELOW



If the Chairman of the Meeting is your nominated proxy, or may be appointed by default, and you have not directed your proxy how to vote on Item 3 below, please place a mark in this box. By marking this box you acknowledge that the Chairman of the Meeting may exercise your proxy even if he has an interest in the outcome of that item and that votes cast by him, other than as proxy holder, would be disregarded because of that interest. If you do not mark this box, and you have not directed your proxy how to vote, the Chairman of the Meeting will not cast your votes on Item 3 and your votes will not be counted in computing the required majority if a poll is called on this item. The Chairman of the Meeting intends to vote undirected proxies in favour of Item 3.

Voting directions to your proxy - please mark



to indicate your directions

1. To approve the Remuneration Report
2. To re-elect Norton Jackson as a Director
3. To approve the adoption of an Employee Share Option Plan
4. To approve the issue of up to 1,192,370 ordinary shares

For Against Abstain*

☐	☐	☐
☐	☐	☐
☐	☐	☐
☐	☐	☐

In addition to the intention advised above, the Chairman of the Meeting intends to vote undirected proxies in favour of each of the other items of business.

* If you mark the Abstain box for a particular item, you are directing your proxy not to vote on your behalf on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

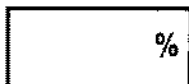
Appointing a second Proxy

I/We wish to appoint a second proxy



Mark with an "X" if you wish to appoint a second proxy.

AND



%

OR



State the percentage of your voting rights or the number of securities for this Proxy Form.

PLEASE SIGN HERE

This section must be signed in accordance with the instructions overleaf to enable your directions to be implemented.

Individual or Securityholder 1

Securityholder 2

Securityholder 3



Individual/Sole Director and
Sole Company Secretary

Director

Director/Company Secretary

In addition to signing the Proxy form in the above box(es) please provide the information below in case we need to contact you.

Contact Name

Contact Daytime Telephone

Date

AAO

5 P R

How to complete the Proxy Form

1 Your Address

This is your address as it appears on the company's share register. If this information is incorrect, please mark the box and make the correction on the form. Securityholders sponsored by a broker (in which case your reference number overleaf will commence with an 'x') should advise your broker of any changes. **Please note, you cannot change ownership of your securities using this form.**

2 Appointment of a Proxy

If you wish to appoint the Chairman of the Meeting as your proxy, mark the box. If the individual or body corporate you wish to appoint as your proxy is someone other than the Chairman of the Meeting please write the full name of that individual or body corporate in the space provided. If you leave this section blank, or your named proxy does not attend the meeting, the Chairman of the Meeting will be your proxy. A proxy need not be a securityholder of the company. Do not write the name of the issuer company or the registered securityholder in the space.

3 Votes on Items of Business

You may direct your proxy how to vote by placing a mark in one of the three boxes opposite each item of business. All your securities will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any item by inserting the percentage or number of securities you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on a given item, your proxy may vote as he or she chooses. If you mark more than one box on an item your vote on that item will be invalid.

4 Appointment of a Second Proxy

You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by telephoning the company's share registry or you may copy this form.

To appoint a second proxy you must:

- (a) indicate that you wish to appoint a second proxy by marking the box.
- (b) on each of the first Proxy Form and the second Proxy Form state the percentage of your voting rights or number of securities applicable to that form. If the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half your votes. Fractions of votes will be disregarded.
- (c) return both forms together in the same envelope.

5 Signing Instructions

You must sign this form as follows in the spaces provided:

- Individual: where the holding is in one name, the holder must sign.
- Joint Holding: where the holding is in more than one name, all of the securityholders should sign.
- Power of Attorney: to sign under Power of Attorney, you must have already lodged this document with the registry. If you have not previously lodged this document for notation, please attach a certified photocopy of the Power of Attorney to this form when you return it.
- Companies: where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please indicate the office held by signing in the appropriate place.

If a representative of a corporate Securityholder or proxy is to attend the meeting the appropriate "Certificate of Appointment of Corporate Representative" should be produced prior to admission. A form of the certificate may be obtained from the company's share registry or at www.computershare.com.

Lodgement of a Proxy

This Proxy Form (and any Power of Attorney under which it is signed) must be received at an address given below no later than 48 hours before the commencement of the meeting at 11.00 am on Thursday 30th November 2006. Any Proxy Form received after that time will not be valid for the scheduled meeting.

Documents may be lodged:

- IN PERSON Registered Office - Suite 12, Stirling Tiers, 49 Mount Barker Road, STIRLING SOUTH AUSTRALIA 5152 AUSTRALIA
Share Registry - Computershare Investor Services Pty Limited, Level 5, 115 Grenfell Street, Adelaide SA 5000 Australia
- BY MAIL Registered Office - PO Box 46, STIRLING SOUTH AUSTRALIA 5152 AUSTRALIA
Share Registry - Computershare Investor Services Pty Limited, GPO Box 1903, Adelaide SA 5001 Australia
- BY FAX 61 8 8236 2305