

30 April 2012

**QUARTERLY REPORT FOR THE PERIOD ENDING 31 MARCH 2012**

**HIGHLIGHTS**

Major events for Australasian Resources Ltd. (“Australasian” or “Company”) (**ASX: ARH**) during the quarter were as follows:

**CORPORATE**

The company executed the following agreements during the quarter:

- Share Subscription Agreement between International Minerals Pty Ltd. and Mineralogy Pty Ltd.
- Share Subscription Agreement between Australasian Resources Ltd. and Mineralogy Pty Ltd.
- Share sale and purchase agreement for International Iron Ore Sales Pty Ltd. between International Minerals Pty Ltd. and Mineralogy Pty Ltd.
- Shareholders Agreement between Australasian Resources Ltd., Mineralogy Pty Ltd. and International Minerals Pty Ltd.

**BALMORAL SOUTH IRON ORE PROJECT (BSIOP)**

- Completion of the Feasibility Study update by ProMet Engineers.

**CORPORATE**

**HEALTH AND SAFETY**

There were no Health or Safety incidents to report for the Quarter

**OTHER STRATEGIC INVESTORS / PARTNERS**

The company hosted a site visit by Fitches and Moody’s, global rating agencies, who have been engaged by the company to assign a credit rating to International Minerals Pty Ltd. and its proposed issue of high yield bonds for the financing of the BSIOP.

**FINANCES**

A loan facility provided by Mineralogy on the same terms as a previous facility (May 2010) and with a facility limit of \$2,000,000 of which \$1,000,000 has been advanced in March 2012. All outstanding amounts relating to the

**ASX Code: ARH**

**Company overview**

Australasian Resources is an iron ore company currently developing the world-class Balmoral South Iron Ore Project in the Pilbara region of Western Australia.

**Fast Facts**

ASX Code: ARH  
Shares on Issue: 459M

**Board of Directors**

Mr Domenic Martino	Chairman
Mr Vimal Sharma	Director
Mr Paul Piercy	Director
Mr Clive Mensink	Director
Mr Dio Wang	Managing Director

**Company Secretary**

Mr Grant Ryan

**Major Shareholding**

Professor Clive Palmer and Associates	67.9%
Timefull Investments (Shougang Concord)	6.10%
Mount Sun Investments Ltd (APAC Resources)	4.67%
Australian Minerals (Hong Kong) Holding Ltd	3.37%

**Balmoral Project Highlights**

- Right to mine 1 billion tonnes of magnetite iron ore;
- Feasibility Study Completed;
- Federal Ministerial Approval;
- State Ministerial Approval.

**Media contact**

PPR (WA) Mr David Tasker  
Tel: +61 8 9388 0944

previous loan facility have since been repaid. Documents were executed in January 2012.

## **COMMERCIAL**

ProMet Engineers have concluded updating the 2008 BSIOP Feasibility Study with an expanded project in mind. They have updated both the project capital and operating costs, these results have then been incorporated in the financial analysis compiled by James F King who looks at a number of scenarios based on incremental increases in production and capital based on larger tonnages. This update has been posted on the company's website.

The results of this update have confirmed the viability of the project and reinforced the Boards confidence that a significant partner will be found to invest in the company and develop the project.

Mineralogy and International Minerals, being proponent and co-proponent of the project under the State Agreement, will lodge a Project Proposal with the Department of State Development within the next quarter. Approval of the Project Proposal is based on a 2 Billion tonne right to mine and is one of the last requirements before construction of the project can commence.

## **EXPLORATION**

### **SHERLOCK BAY NICKEL AND SHERLOCK EXTENDED PROJECT (BASE METALS)**

The Company's Sherlock Bay Nickel Project (100% Australasian) hosts a nickel resource (reported under JORC guidelines\*) of 25.4 Mt, grading 0.40% Ni for 101,300t of contained metal\* and is located east of Karratha, in the Pilbara region of Western Australia. The Sherlock Extended Project (70% Australasian) surrounds the main Sherlock Bay nickel deposit.

The Sherlock Extended Project is a joint venture between Australasian and Metals Australia Ltd (30% interest). Australasian are the managers of the project, with Metals Australia being 'free-carried' through to the completion of a bankable feasibility study and the decision to commence commercial mining. A review of the previous exploration work being the biogeochemical and mapping work is still being conducted

## **HYPERSPECTRAL STUDIES**

As a means to further understand the newly attained biogeochemical data and potentially generate additional targets a series of Hyperspectral studies were commissioned in the previous quarter.

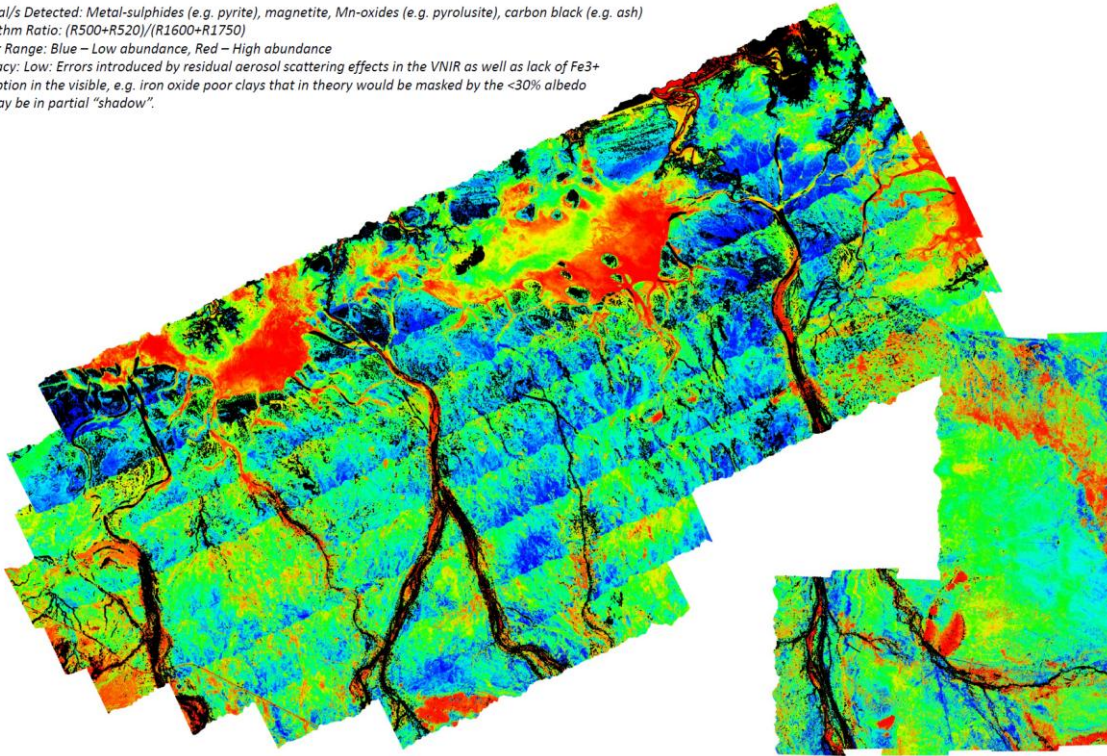
An initial review of the Geoimage hyperspectral study was completed and a decision was made to further review this work when the Global Ore Discovery study utilising the HyMap hyperspectral data is completed.

Hyvista completed the HyMap data acquisition over the Sherlock Area and delivered the data to Global Ore Discovery during the last quarter. Global Ore Discovery's images and report have only just been received; the figure below is an example of a processed image processed to identify Metal-sulphides (e.g. pyrite), magnetite, Mn-oxides (e.g. pyrolusite), carbon black (e.g. ash).

The plan to combine the DTM data with the biogeochemical assay data was delayed during the quarter awaiting the Global Ore Discovery report. The company can now progress this work.

**Opaques Group Abundance**

*Mineral/s Detected: Metal-sulphides (e.g. pyrite), magnetite, Mn-oxides (e.g. pyrolusite), carbon black (e.g. ash)  
Algorithm Ratio: (R500+R520)/(R1600+R1750)  
Colour Range: Blue – Low abundance, Red – High abundance  
Accuracy: Low: Errors introduced by residual aerosol scattering effects in the VNIR as well as lack of Fe3+ absorption in the visible, e.g. iron oxide poor clays that in theory would be masked by the <30% albedo but may be in partial "shadow".*



 GLOBAL ORE  
DISCOVERY

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**MT SALT (IRON ORE/URANIUM)**

The Mt Salt prospect is located near the Pilbara coast, immediately to the west of the BSIOP area.

There has been no significant work carried out on the Mt Salt prospect during the quarter.

**CAT CAMP (BASE METALS)**

The Cat Camp prospect, lies within the Lake Johnston Greenstone Belt and is located approximately 170km south west of Kalgoorlie. It contains lithologies that are consistent with the nickel sulphide deposits that have been mined at the nearby Emily Ann and Maggie Hays operations.

The company has applied for an additional tenement in the area along strike on the area of nickel anomalism interpreted from biogeochemical sampling previously completed by the company.

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There has been minimal work carried out on the Cat Camp tenements during the quarter as the company has been focussed on presenting the corporate transaction to shareholders as soon as possible.

### **SIGNIFICANT UPCOMING ACTIVITIES**

Significant activities for the period March to June will include:

- A shareholders meeting to vote on the acquisition of an additional 1 Billion Tonnes and the creation of a Joint Venture between Mineralogy Pty Ltd. and International Minerals Pty Ltd. and also to vote on the Share Subscription Agreement between Australasian Resources Ltd. and Mineralogy Pty Ltd.
- Progress work on the Technical Services agreement between International Minerals Pty Ltd. and MCC Overseas HK.
- Lodgement of the Project Proposal for the BSIOP to the Department of State Development.

For and on behalf of Australasian Resources Limited



Dio Wang  
Managing Director

#### *Attribution*

The information in this report that relates to Exploration Results is based on information compiled by Todd Axford, who is a member of the Australasian Institute of Mining and Metallurgy. Todd Axford is engaged as a consultant to the company, and has sufficient experience relevant to the styles of mineralisation and type of deposit under consideration and to the activity he is undertaking, to qualify as a Competent Person as defined in the December 2004 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Todd Axford consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

\*The information in this report that relates to Mineral Resources (August 2005 Mineral Resource estimate) at the Sherlock Bay Project is based on information compiled by Mr Paul Payne, who is a Member of The Australasian Institute of Mining and Metallurgy. Mr Payne is a full-time employee of Runge Limited and has sufficient experience, which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Payne and Runge Limited consent to the inclusion in this report of the matters based on his information in the form and context in which it appears.