

21 May 2010

ARH WORKING CAPITAL LOAN FACILITY

Australasian Resources Limited (“Australasian” or “Company” or ASX: ARH) announced on 12 April 2010 that Mineralogy Pty Ltd (Mineralogy) (a company controlled by Professor Clive Palmer) has agreed to provide Australasian with a \$3 million working capital loan facility (Loan).

The Loan is repayable within 12 months, is secured by a fixed and floating charge over the Company’s assets (Charge) and bears interest at the bank bill swap bid rate plus 2%. In the event Australasian receives proceeds from a capital raising or sale of assets, such proceeds must be applied to repayment of the Loan.

The Company advises that the Australian Securities Exchange (ASX) has granted the Company a waiver from ASX Listing Rule 10.1 to the extent necessary to permit the Company to provide the Charge to Mineralogy in connection with the Loan without obtaining shareholder approval on the following conditions:

- The Loan Facility Agreement to be entered into by the Company and Mineralogy (Agreement) includes a term that if an event of default occurs and Mineralogy exercises its rights under the Charge, Mineralogy and any of its related parties cannot acquire any legal or beneficial interest in any of the assets the subject of the Charge in full or in part satisfaction of the amounts owing by the Company to Mineralogy under the Agreement, or otherwise deal with the assets the subject of the Charge (other than as required by law or by Mineralogy enforcing its rights under the Charge and selling the assets to an unrelated third party on arm’s length commercial terms and conditions, or by appointing a receiver, or receiver and manager over those assets) without the Company first having complied with any applicable listing rules, including listing rule 10.1.
- A summary of the material terms of the Agreement are made in each annual report of the Company while there is any indebtedness outstanding.

ASX Code: ARH

Company overview

Australasian Resources is a significant 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: 442M

Board of Directors

Mr Domenic Martino Chairman
Mr Andrew Caruso Managing Director
Mr Clive Mensink Deputy Chairman
Mr Vimal Sharma Director
Mr Paul Piercy Director

Mr Grant Ryan Company Secretary

Major Shareholding

Professor Clive Palmer	66.37%
Timefull Investments (Shougang Concord)	6.33%
Mount Sun Investments Ltd (APAC Resources)	4.74%
Australian Minerals (Hong Kong) Holding Ltd	3.49%

Balmoral Project Highlights

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

Media contact

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- Any variation to the terms of the Charge or the Agreement which are not minor changes or inconsistent with the terms of the waiver are subject to shareholder approval.
- The Company releases the terms of this waiver to the market by way of a separate announcement.

All conditions of the Loan have now been satisfied by both parties and Australasian has issued Mineralogy its initial drawdown notice under the Loan.



Grant Ryan
Company Secretary

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BIG
PROJECT



BIG
PARTNER



BIG
YEAR

