

30 July 2010

QUARTERLY REPORT FOR THE PERIOD ENDING 30 June 2010

HIGHLIGHTS

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

CORPORATE

- Managing Director, Andrew Caruso resigned from Australasian Resources during the quarter. Dio Wang appointed Chief Executive Officer of Company effective from July 28.

BALMORAL SOUTH IRON ORE PROJECT

- Two site visits with potential strategic investors were held during the quarter. Parties are currently evaluating technical and commercial information associated with the Company and the project.

CORPORATE

HEALTH AND SAFETY

No safety incidents were reported during the quarter.

OTHER STRATEGIC INVESTORS AND/OR OFF-TAKE PARTNERS

ARH hosted site visits during the quarter for two steel producing companies. Technical and commercial meetings were held pre and post the site visits with both companies now evaluating detail information and options going forward.

Discussions are also continuing with a number of other parties that are showing interest in the Company and the Balmoral South Iron Ore Project.

The Company remains confident about the viability of the Project and the strong long term outlook for the world iron ore market.

FINANCES

Finalisation of the \$3 million working capital loan facility from Mineralogy Pty Ltd together with first draw down (\$500k) which occurred in May.

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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.

Compilation of available data, reports, etc is being prepared leading to a summary report and exploration plan for the JV tenements. It is expected that a follow-up vegetation sampling program will be undertaken in August 2010.

UPPER SHERLOCK RIVER

- Exploration Licence E47/2049 was granted on the 15th March 2010. Compilation of available data, reports, etc is to be completed, leading to a summary report and exploration plan for the JV tenements.

ANDOVER (BASE METALS)

Andover is located near the Sherlock Bay Nickel Project and the tenement covers a magnetic feature which is interpreted as being the feeder channel for the Andover layered mafic – ultra mafic intrusive complex.

It is expected that a vegetation sampling program will be undertaken in August 2010 to coincide with Sherlock Bay activities.

MT SALT (IRON ORE/URANIUM)

The Mt Salt prospect is located near the Pilbara coast, immediately to the west of the Balmoral South Iron Ore Project area.

Modelling of the aeromagnetic survey data, collected in December 2009, was completed by the Companies consultants (Southern Geoscience) in the first quarter of 2010. Using this geophysical modelling work as a base, the Company has estimated magnetite bearing iron ore targets for the project. A total of 11 targets have been identified. Combined, the exploration targets have the potential to contain in excess of 600 Million tonnes (Mt) of magnetite bearing BIF. Table 1 shows target estimates based on thickness/depth of 30 metres, and a density of 3.4 g/cm³. Figure 1 shows exploration targets, the E08/1607 tenement boundary, and the area of Balmoral Tenements (which contain significant magnetite Iron Ore resources and are subject to the Iron Ore Processing (Mineralogy Pty Ltd) Agreement Act 2002).

All interpreted BIF exists under cover, and drilling is required to determine the economic significance of these targets. DMP approval has been received for additional drilling defined from the detailed modeling work.

Target	Surface Area	Thickness	Density	Mt
1	99,560	30	3.4	10
2	2,411,305	30	3.4	246
3	315,455	30	3.4	32
4	845,726	30	3.4	86
5	717,884	30	3.4	73
6	288,294	30	3.4	29
7	623,616	30	3.4	64
8	428,039	30	3.4	44
9	315,958	30	3.4	32
10	356,671	30	3.4	36
11	112,417	30	3.4	11
Total				660 Mt

Table 1: Exploration Target Tonnage Estimate

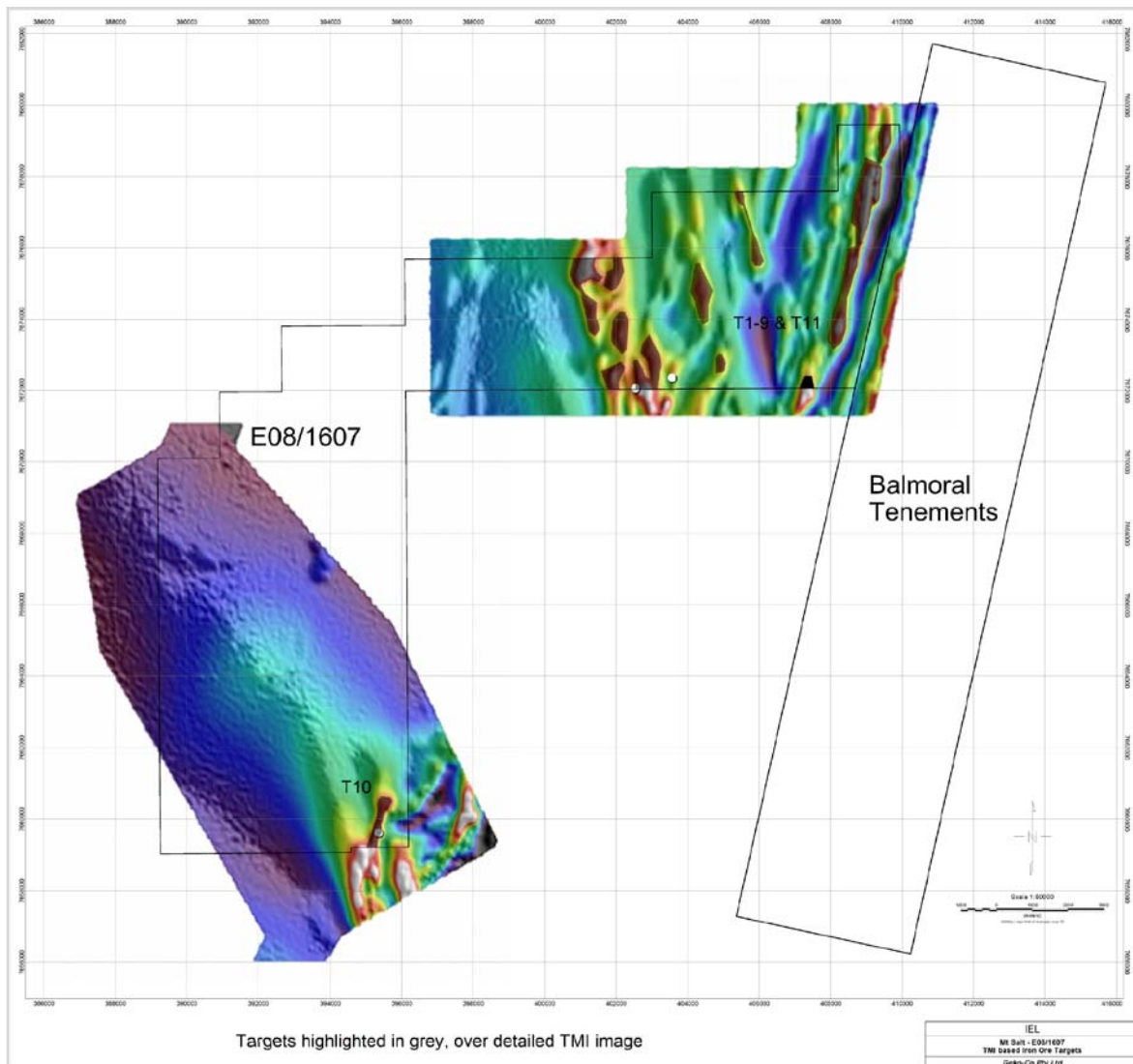


Figure 1: Exploration target areas shaded grey on detailed TMI image

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On 8 May 2010 an Application for Relief from Compulsory Relinquishment was lodged with the DMP, with the aim of avoiding the requirement to surrender 50% of the tenement. The Company's intention is to retain tenure to the entire landholding, to enable establishment of infrastructure associated with a potential large scale magnetite mining and processing operation (should exploration in other areas be successful).

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.

Assays results for vegetation samples collected from E15/987 were received in June supporting the previous work undertaken. A further exploration plan for E15/1114 has been developed, involving the collection of two lines of vegetation samples running SW-NE across the tenement. The planned sampling runs across structural lineaments visible in the satellite imagery, with a total of 142 samples spaced 50 metres apart to be collected (refer to figure 2 below). This work will take place in early July.

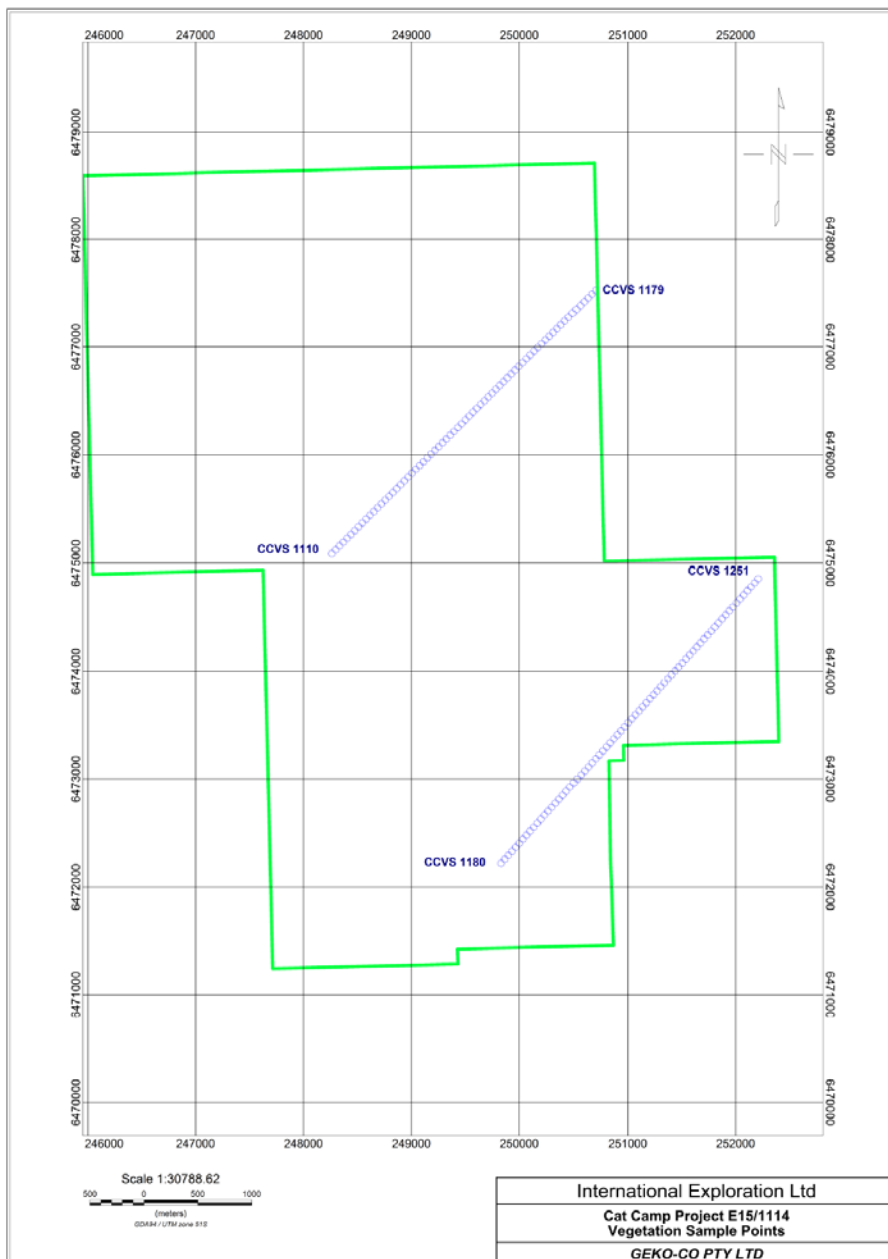


Figure 2: Sampling Run

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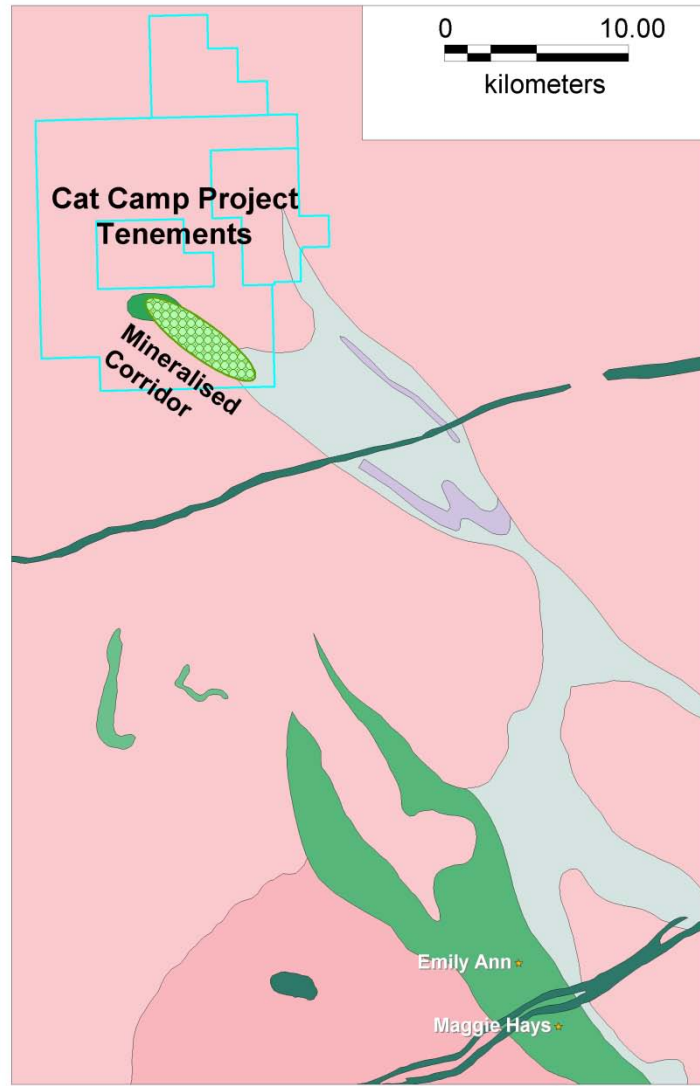


Figure 3 – Mineralised Corridor

COPPER BORE WELL (URANIUM/COPPER/SILVER/GOLD)

No further exploration work was undertaken during the quarter.

50% compulsory surrender of E08/1555 tenement was made on 16 April 2010.

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SIGNIFICANT UPCOMING ACTIVITIES

Significant activities for the period July - September will include:

- Vegetation sampling programs on the Sherlock Bay and Andover tenements to be undertaken during this quarter.
- Advance negotiations with potential strategic investors/partners including conducting site visits and potential due diligence.

For and on behalf of Australasian Resources Limited



Dio Wang
Chief Executive Officer

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.