

QUARTERLY REPORT FOR THE PERIOD ENDING 30 June 2013

HIGHLIGHTS

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

CORPORATE

- Results have been received from the Biogeochemical Sampling Program at Sherlock Bay
- Continued support of the company by its major shareholder

HEALTH AND SAFETY

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

FINANCES

The Board have been advised that the company will have the continued support of its major whilst it continues to seek a partner to assist in funding for the project.

The Board are confident that a corporate funding solution will be finalised for the Company in the coming quarter.

The payment of directors fees continues to be accrued whilst the Company is assessing options for working capital. The Non-Executive Directors have agreed that their director fees will accrue but not be paid until the company has sufficient capital.

COMMERCIAL

The Company has further advanced an enquiry from a party that has expressed interest in assisting Australasian in potentially funding the Balmoral South Project. A meeting has taken place however negotiations are still in the early stages and upon execution of an “Initial Term Sheet” the market will be updated on further details.

EXPLORATION

SHERLOCK BAY NICKEL AND SHERLOCK EXTENDED PROJECT (BASE METALS)

The Company’s Sherlock Bay Nickel Project (100% Australasian) includes the

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Mr Paul Piercy	Director
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Mr Dio Wang	Managing Director

Company Secretary

Mr Grant Ryan

Major Shareholding

Professor Clive Palmer and Associates	69.83%
Timefull Investments (Shougang Concord)	5.72%
JP morgan Nominees Australia Limited (APAC Resources)	4.27%
Australian Minerals (Hong Kong) Holding Ltd	3.16%

Balmoral Project Highlights

- JV arrangement with Mineralogy increased BSIOP to 2 billion tonnes of magnetite iron ore;
- Feasibility Study Completed;
- Federal Ministerial Approval;
- State Ministerial Approval.

Media contact

PPR (WA) Mr David Tasker
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Sherlock Bay Nickel Deposit 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. Within the last reporting year, the company completed an extensive biogeochemical sampling program over the Sherlock Bay Nickel Project and Sherlock Extended Project tenements, and interpretation of results was completed during the quarter.

BIOGEOCHEMICAL SAMPLING

A planned sampling program, which was based on combination of information generated by Global Ore Discovery (processed HyMap data) with the DTM data (GeoEYE) and past biogeochemical assay data, was completed during the last reporting year. The program included sampling on all tenements in the Sherlock and Sherlock Extended project areas; results have now been received and interpreted by the Company's consultant. A total of 20 target areas for follow up have been identified.

The Company undertook an extensive vegetation sampling program across tenements making up the Sherlock Exploration Project, located between Roebourne and Whim Creek in the Western Pilbara. Geko-Co Pty Ltd (Geko-Co) was requested to review and interpret the assay results in conjunction with existing hyperspectral and topography data, and in combination with the historic dataset built up by IEL. Assay results were progressively (and slowly) provided by Genalysis Laboratory Services in the first half of 2013 and the interpretation is now complete.

The interpretive work has identified seven areas of interest shown on figure 1 and described in table 1. 13 targets where further exploration is warranted are located on the JV tenements. A further 7 targets for follow up are identified on the prospecting and mining licence areas. Immediate drilling may be warranted on M47/567 (figure 2), while other targets can be progressed via follow up vegetation sampling.

The interpretation gave significant consideration to specific elements that might be most significant in determining areas of potential economic mineralisation. Known deposits within the region include; Sherlock Bay (Ni,Cu), Balla Balla (Fe,Ti,V & P), plus the Salt Creek, Balla Balla and Whim Creek base metals deposits (Cu,Zn,Pb). The elements associated with ore minerals of these deposits were considered for anomalism across the project area.

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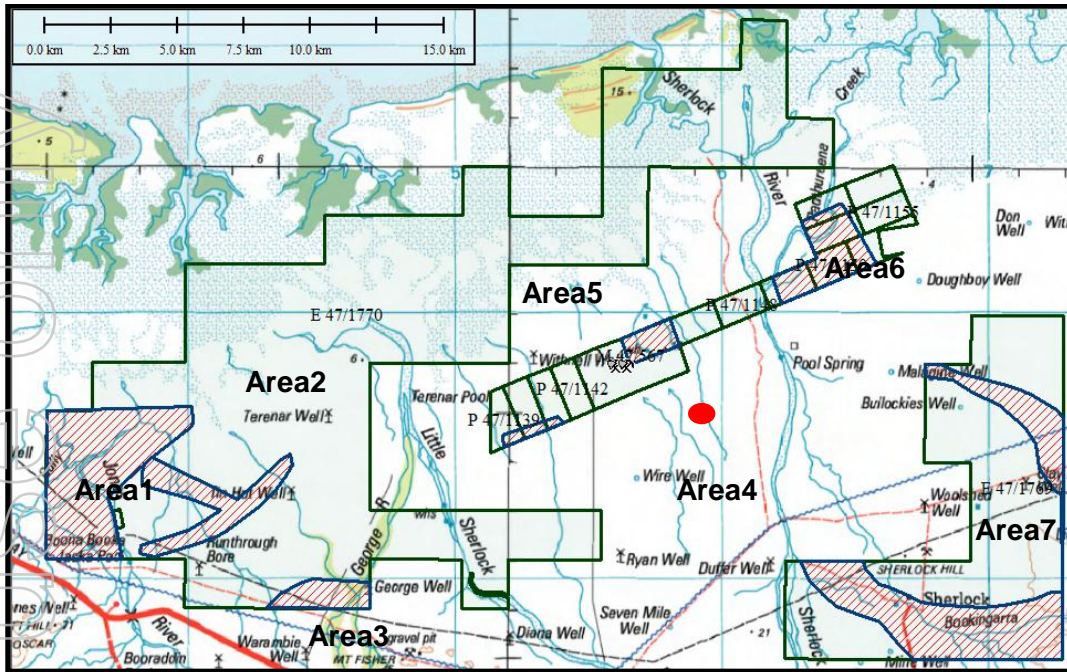


Figure 1: Areas of exploratory interest set against 1:250,000 topography data (red oval indicates Sherlock deposit)

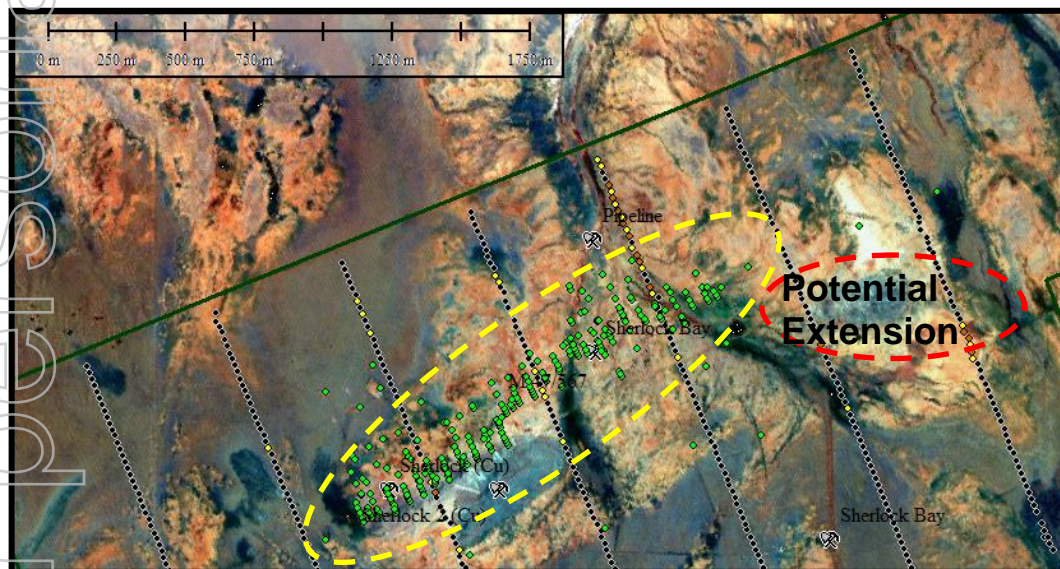


Figure 2: A5.2 Potential Sherlock Deposit extension - interpreted zone of interest (red dashed line) indicating a potential extension off the known drilled Sherlock mineralisation (yellow dashed line) defined by past drilling displayed as green dots.

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Targeted Anomalism	Prospective Areas	Prospective Area Subgroup	Coordinates	Tenement
Nickel	Area 1	A1.1	536010E, 7692500N	E47/1770
		A1.2	535750E, 7694915N	E47/1770
		A1.3	537935E, 7695015N	E47/1770
	Area 2	A2.1	541310E, 7691745N	E47/1770
		A2.2	540115E, 7693385N	E47/1770
	Area 3		545055E, 7689365N	E47/1770
	Area 4		552885E, 7695550N	P47/1139-1141
	Area 5	A5.1	556900E, 7698830N	M47/567
		A5.2	557915E, 7698470N	M47/567
	Area 6	A6.1	563050E, 7701630N	P47/1149-1150
		A6.2	564980E, 7701900N	P47/1150-1151
		A6.3	564105E, 7703805N	P47/1152-1153
A6.4		566150E, 7704770N	P47/1154-1155	
Area 7	A7.1	571105E, 7696515N	E47/1769	
	A7.2	567760E, 7688380N	E47/1769	
Gold	Area 8		544000E, 7699510N	E47/1770
	Area 9		568200E, 7695995N	E47/1769
Platinoid	Area 10		569880E, 7695260N	E47/1769
Titanium	Area 11		541995E, 7697525N	E47/1770
	Area 12		552510E, 7691650N	E47/1770

Table 2: Total areas of exploratory interest (note Ti is often elevated in areas of interest for Nickel)

Consultant's recommendations:

Further biogeochemical sampling within E47/1770 is recommended within areas 1, 2, and 3. One of the most prospective areas, Area 1.1 (figure 2), would be benefitted by highly detailed 50 m spacing between 'E47/1770 line 1' (easting of 535250) and 'E47/1770 line 2' (easting of 536250). Decreasing line spacing down to 50 metres in two stages could be justified.

It is recommended to extend the planned sampling lines for A1.1 to continue into A1.2, with the same sampling methodology, orientation and spacing to continue within the highlighted zone of interest and further test the relationship between anomalism of A1.1 & A1.2

The structural interpretation in relation to A1.3 would be further tested by lines of infill sampling at 200 m spacing running through the highlighted zone within figure 1 for a total of 23 lines at a constant length of 1.2 km.

The deformation associated with the area in A2.1 (E47/1770) may be host to mineralisation resulting from migration of nickel in structural breaks along the broad contact/s. With current line spacing at two to four kilometres a two stage infill programme is recommended. The first stage would be 1 km or 500 m line spacing to confirm continued anomalism along the trend, with positive results leading to further infill at a scale suitable for drill target definition.

Additionally, A2.2 would also benefit from the use of a staged approach as it is considered a less likely alternative for economic mineralisation. With this in mind infill on 1 km spaced lines as an initial test to confirm the trend would determine the need to continue with further infill along this trend.

Within E47/1770's Area 3, an infill programme of 200 m spaced lines, maintaining a north-south orientation, would provide clarity on continuity and mineralisation trends possibly associated with intrusive and structural components of this area. These lines would be recommended to extend throughout the highlighted zone with a total length of 1.2 km per line.

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Area 4, contained on P47/1139-P1141 includes an interesting run of elevated sample responses highlighting a potential anomalism trend analogous to that seen within M47/567, which makes this a higher priority area for follow up. Mineralisation could be running parallel to the Sholl Shear/Mylonite zone trend (ENE) and/or sub-parallel to the local drainage. For this reason further sampling on two orientations is recommended. A series of lines perpendicular to the highly anomalous sample line running through P47/1140 & P47/1141 would test if mineralisation may trend N-S. Further, localised infill on lines spaced 100 m either side of current anomalous results would test for trends parallel to the Sholl Shear.

The trend of anomalism within A5.1 on M47/567 should be defined by an infill vegetation sampling programme of 8 additional close spaced lines at 1 km length, 4 lines east and 4 lines west of the existing geochemical signature. A close 50 m line spacing, sharing the previous line orientation and sample spacing would provide a sample density suitable to delineate any orientation. Lines should extend outside of the boundaries of the mylonite to test the coincidence of values associated with this lithological unit.

Additionally on M47/567 the highlighted zone of interest, A5.2, a potential 'splay' off the defined Sherlock Deposit, represents an exciting target and should be followed up. Further infill biogeochemical work could be completed however the presence of a local topographic low with the potential for accumulation of anomalous material could justify close spaced shallow vertical drilling. Drilling on 200 m spaced lines, with 5 or 10 m spaced holes to depths of around 20 m would test below the transported cover at a spacing relevant to known mineralisation. The drill programme would provide a true lithological signature of geochemical anomalism independent of the contamination. Alternatively, an infill vegetation sampling program on 100 m line spacing could be implemented. This is a high priority target. Any prospectivity confined within areas 6.1 and 6.2 (P47/1149-1150-1151) would be further defined by an infill programme of short 600 m

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length lines spaced at 200 m apart to try to discern whether the anomalism present is drainage contamination or a true reflection of underlying lithological nickel values.

Within A6.3 (P47/1152-1153) a 100 m line spaced programme throughout the extent of the HyMap defined lithological feature along the same orientation as past sampling is recommended.

As a means of testing coincident nickel values with indicated stacked lithological features within A6.4 (P47/1154-1155), a rotated northwest-southeast oriented programme of 200 m spaced lines throughout the highlighted zone should provide clarity on nickel trends.

Knowledge of Area 7's potential mineralised corridor within E47/1769 would be greatly improved by an infill programme of 100 m spaced lines along the northern inferred corridor zone and 200 m spaced lines throughout the southern portion of the corridor with lines at a total length of 3.6 km.

Anomalous gold values within Area 8 (E47/1770) could be misleading, as the samples sit within an area of intense water influence from channel drainage, floodplain reworking and tidal influences. A close spaced infill programme of two separate lines 25 m from the original line (one east and one west of the anomalism) is suggested. This would provide enough data to determine if the area warrants further study.

Area 9's gold anomalism (E47/1769) would best be investigated in a single stage infill programme. Using a line spacing of 125 m will fit the current dataset, with 50 m along line spacing suggested.

Area 10's platinoid anomalism is located in a large portion of the central area of E47/1769 and sits directly adjacent to the HyMap highlighted corridor of prospective nickel anomalism. It is difficult to ascertain if economic mineralisation is likely to be hosted in the underlying granitic rocks and at this stage it is thought to be a lower priority target for follow up. A two stage follow up approach would be advisable to reduce the amount of sampling initially required.

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Titanium anomalism in Area 11 (E47/1770) would be further tested by the implementation of individual relatively close (250 m) spaced lines either side of anomalous lines for a total of length of 2.5km north-south to determine the local extent of anomalism. Given Titanium is likely to be indicative of Balla Balla style Fe+Ti+V mineralisation it would be prudent to consider the aeromagnetics data for this area when designing the program.

Finally, Titanium anomalism in Area 12 (E47/1770) is suggested to be approached with an initial programme of infill sampling to help improve the resolution of data by the use of 3 additional lines at 250 m spacing. Given Titanium is likely to be indicative of Balla Balla style Fe+Ti+V mineralisation it would be prudent to consider the aeromagnetics data for this area when designing the program.

These results provide significant encouragement to progress exploration. In the coming quarter the company expects to utilise all available information to plan the next stage of field work on the Project.

APPLICATION FOR FURTHER MINING LICENSES

The process of granting of additional mining leases for its Sherlock Bay Project. International Exploration is continuing via negotiations with the Ngarluma people, the relevant native title holders, who are required to sign agreements in order for the grant of the applications for mining leases on some of its Sherlock Bay tenements. International Exploration is seeking the grant of the additional mining leases in accordance with this existing agreement.

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.

No work was completed during the quarter. The company is awaiting the granting of exploration licence application E15/1325 prior to undertaking further work.

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SIGNIFICANT UPCOMING ACTIVITIES

Significant activities for the period July to September will include:

- Finalise a working capital solution for the company.
- Continue negotiations and execute an "Initial Term Sheet" with interested party.

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.

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