

QUARTERLY REPORT FOR THE PERIOD ENDING 30 September 2013

HIGHLIGHTS

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

CORPORATE

Continued support, via loans, 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. This has been further supported by an additional working capital loan of \$487,000 during the period.

The loan has been provided on an interest free basis, the company has also secured a letter of support from its major shareholder in which it states that Mineralogy, a company owned by the major shareholder, will provide financial support if needed until September 2014.

The company is confident a working capital solution will be sourced prior to that date.

The payment of director’s 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

IM submitted a Project Proposal for Balmoral South Iron Ore Project, as required under Iron Ore Processing (Mineralogy Pty Ltd) Agreement Act (State Agreement) to the Minister of State Development (Minister). The Proposal has to be approved by the Minister before IM can start any ground-disturbing activities, and it is the last key government approval to enable the project to proceed forward.

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: 489M

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	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
Tel:+61 8 9388 0944

The Minister for State Development has refused to consider the BSIOP Project Proposal on the grounds that certain infrastructure contained in the document had already been approved to another project under a separate proposal.

The parties continue discussions but, if agreement is not reached beforehand the matter will proceed to an arbitration hearing in the first quarter of 2014.

EXPLORATION

SHERLOCK BAY NICKEL AND SHERLOCK EXTENDED PROJECT (BASE METALS)

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

The company is now collating all the data from the recent sampling program and will arrive at a proposal to present to the IEL Board as to how to further best progress the Sherlock Bay Nickel and Sherlock Extended Project in the coming year.

There was no new work carried out on The Sherlock Extended Project during the current quarter.

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. There have been no further developments in this area during the September 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.

No work was completed during the quarter.

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SIGNIFICANT UPCOMING ACTIVITIES

Significant activities for the period October to December will include:

- Finalise a working capital solution for the company.
- Continue negotiations with the State regarding the lodgement and approval of the Project Proposal

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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