

QUARTERLY REPORT FOR THE PERIOD ENDING 31 DECEMBER 2013

HIGHLIGHTS

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

CORPORATE

Continued financial support, from the company’s 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 shareholder. This has been further supported by an additional working capital loan of \$200,000 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 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

As the last major government approval that is needed for IM to further develop Balmoral South Iron Ore Project under Iron Ore Processing (Mineralogy Pty Ltd) Agreement Act (State Agreement), a Project Proposal was submitted to and subsequently refused to be considered by the Minister of State Development.

The Minister considers the BSIOP Project Proposal invalid on the grounds that a key piece of infrastructure crucial to the development of BSIOP had already been approved to another project under a separate proposal. It is International

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



Mineral's (IM) understanding that the existing approval for this piece of infrastructure, which does not have an expiry date is not likely to be utilised by the other project in the near future. Whilst IM and the other party both had separately signed agreements with Mineralogy that clearly set out how the infrastructure is to be shared between the parties, the Minister is concerned about duplicating approvals to different parties.

An arbitration hearing is proposed to take place in mid-April as part of IM's ongoing effort to resolve the matter.

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.

There was no new work carried out on The Sherlock or 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. There have been no further developments in this area during the December 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 January to March will include:

- A further advance of \$150,000 was received by Mineralogy in January 2014.
- The company awaits the outcome of the arbitration hearing

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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For persons only