

30 October 2014

QUARTERLY REPORT FOR THE PERIOD ENDING 30 September 2014

HIGHLIGHTS

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

CORPORATE

The Company has continued to receive financial support from its major shareholder.

HEALTH AND SAFETY

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

FINANCES

There has been ongoing support of the company by its major shareholder. This has been further supported by an additional working capital loan of \$258,079 during the period and an updated letter of support from one of the major shareholders associated companies, the provider of the loan has also reserved the right to convert any loans via the issue of company shares at market price in order to settle any outstanding amounts. This takes the financial support provided to the company to \$2,214,757 to the end of September 2014.

The loan has been provided on an interest free basis; this ongoing financial support via loans has the benefit of not further diluting existing shareholders present holdings

COMMERCIAL

Arbitration proceedings were required due to the refusal of the Minister of State Development to consider the Project Proposal that was submitted in August 2012.

The arbitrator found that the proposal was valid one and should have been considered by the Minister. International Minerals Pty Ltd. (IM) is continuing work in order to complete and gain approval for the proposal in the coming months and is evaluating its position in regards to a potential damages claim against the State.

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

Company Secretary

Mr Mark Oliver

Chief Executive Officer

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 BSIOIP 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

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.

During the quarter International Exploration Ltd. (IEL) implemented the recommendations of the cross-dataset interpretation and a program of vegetation sampling was completed on joint venture tenements E 47/1769 and E 47/1770.

A total of 2,129 samples were collected across the Sherlock Extended project during July and August which were submitted to Genalysis Laboratory for analysis. 513 samples were collected on E47/1769 targeting the Caines Well Granite ‘margin zone’ and also following up some potential precious metal trends within the body of the granite. The programs aim is to improve the resolution of the anomalism and therefore justify follow up drill testing. IEL has just begun to receive results from the laboratory for this infill sampling.

Figure 1 shows the sampling undertaken on E47/1769, with areas circled yellow and magenta on figure 4 indicating possible precious metals trends and the area highlighted green being the granite ‘margin zone’ with elevated base metals.

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Balmoral Project Highlights

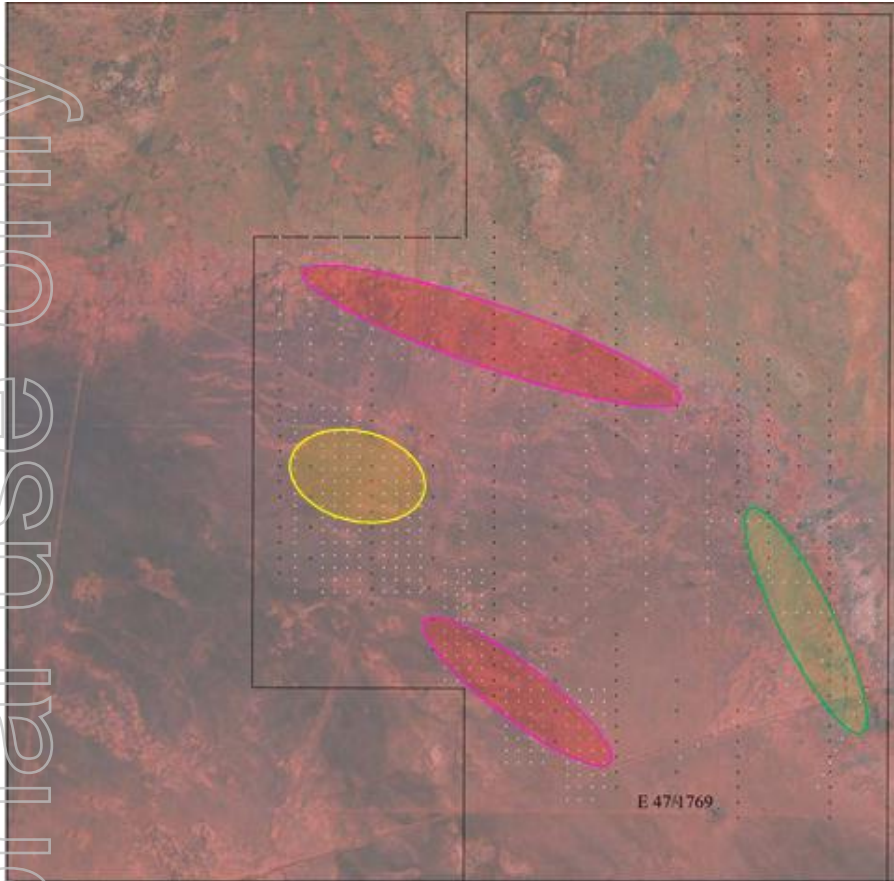
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For PPR

Figure 1: Areas of prospectivity based on biogeochemical and hyperspectral analysis (yellow=gold, magenta=platinum/palladium, green=base metals)



Results are being received from the laboratory (first 90 samples 29 August 2014). IEL has not been in a position to complete analysis of the new data prior to this report being due

Of the total, 1,616 samples were collected targeting the areas of anomalism identified in previous work on E47/1770.

Figures 2 & 3 show the sampling undertaken on E47/1770, with areas of recent sampling shown as white lines. The recent infill demonstrates the areas seen as most prospective for base metals, with the area of highest density sampling on the west end likely to be the focus of initial drill testing.

Results are being received from the laboratory (first 90 samples 29 August 2014), again IEL has not been in a position to complete analysis of the new data prior to this report being due.

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Figure 2: Past data (Ni) and sampling related to the tenement (over GeoEye satellite imagery)

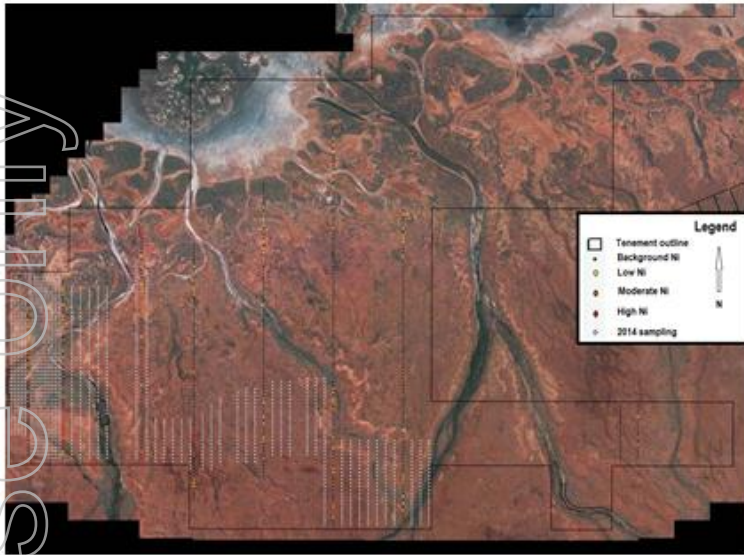
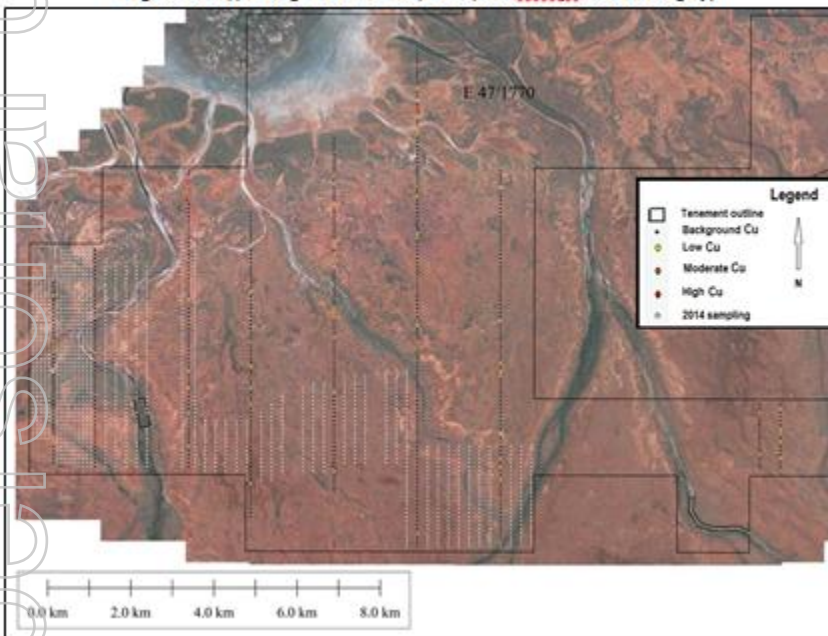


Figure 3: Copper biogeochemical response (over GeoEye satellite imagery)



During the quarter the Company has been negotiating with the Ngarluma Aboriginal Corporation (NAC) to conduct a heritage survey in preparation for a RAB drilling program on areas previously identified as prospective via a vegetation sampling program carried out on the main Sherlock Bay Nickel tenement, M47/0567.

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GRANTING OF ADDITIONAL MINING LICENSES

During the quarter deeds were executed in that the company had 12 prospecting licenses "P's" converted into three (3) additional mining leases "M's" due to the completion of a native title agreement with NAC.

New M tenements:

- M47/0631
- M47/0632
- M47/0633

SIGNIFICANT UPCOMING ACTIVITIES

Significant activities for the period September to December 2014 will include:

- Continued work on the Project Proposal via further negotiations with the Department of State Development.
- Completion of the heritage survey on tenement M47/0567
- A RAB drilling program on the Sherlock Bay Nickel Project
- Analysis and results from the Sherlock Extended vegetation sampling program

For and on behalf of Australasian Resources Limited.



Grant Ryan
Chief Executive Officer

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