

## ARH MOVES BALMORAL IRON ORE PROJECT FORWARD

### KEY HIGHLIGHTS:

- Revised operating and capital costs for The Company's flagship Iron Ore Project completed.
- Acquisition of second 1 Billion tonnes of iron ore proceeding.
- Preparation of joint venture structure for project via subsidiary International Mineral Pty Ltd proceeding.

### OVERVIEW

Australasian Resources Ltd (the Company) is pleased to announce the completion of an update of the operating and capital costs in regards to the Company's major asset, the Balmoral South Iron Ore Project (BSIOP) Feasibility Study. The update has been completed by Promet Engineers, a lead consultant in the original Feasibility Study which was completed and optimized in 2008.

### CAPITAL

The revised capital estimate that ProMet Engineers Pty Ltd ("ProMet"), have compiled has been estimated at \$3.29B excluding all owners' costs and contingency.

### OPERATING

The operating cost estimate update was prepared by ProMet.

The product operating costs (excluding royalties and fees) have been estimated as:

- Concentrate \$55.86 per tonne (FOB)

### PROJECT RETURNS

An analysis of the updated capital and operating outcomes completed by Promet Engineers has been completed by James F King, an independent consultant specialising in the economic aspects of the iron and steel industry. Mr King has provided the company with a "Analysis of the BSIOP" to provide an independent assessment on the updated information. Based on the outcomes of the report the Project is estimated to produce the following returns:

**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: 459M

### Board of Directors

Mr Domenic Martino Chairman  
Mr Vimal Sharma Director  
Mr Paul Piercy Director

### Company Secretary

Mr Grant Ryan

### Chief Executive Officer

Mr Zhenya (Dio) Wang

### Major Shareholding

Professor Clive Palmer and Associates	67.9%
Timefull Investments (Shougang Concord)	6.10%
Mount Sun Investments Ltd (APAC Resources)	4.67%
Australian Minerals (Hong Kong) Holding Ltd	3.37%

### Balmoral Project Highlights

- Right to mine 1 billion tonnes of magnetite iron ore;
- Feasibility Study Completed;
- Federal Ministerial Approval;
- State Ministerial Approval.

### Media contact

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- Discount Rate 8%
- NPV Year 1 (after tax) \$6,960M
- ROE (after tax) 41.8%
- Average annual EBITDA \$1,819M
- Average annual NPAT \$1,141M

The above financial analysis is based on a schedule of

- Construction beginning in 2012
- Initial commercial production in 2015
- Full commercial production in 2017

Results are project based and do not reflect any joint venture scenarios.

A full copy of the report compiled by James King will be available on the company's website [www.austresources.com.au](http://www.austresources.com.au)

#### **ADDITIONAL 1 BILLION TONNES**

The company is proceeding with finalizing an agreement with Mineralogy Pty Ltd for the acquisition of a further 1 Billion tonnes of magnetite iron ore by subsidiary International Minerals Pty Ltd. This second Billion tonnes is adjacent to the Company's existing project.

#### **JOINT VENTURE**

The Company has commenced negotiations between its subsidiary International Minerals Pty Ltd and Mineralogy Pty Ltd to structure a joint venture agreement to put in place final funding and development of the project.

The Board believes this report and these developments provide further evidence of the value of the Company's major asset as it continues to negotiate with potential investors.



**Domenic Martino**  
Chairman