

IM Appoints EPC Manager

7 May, 2012

EPC Management and Technical Service Contract with MCC HK

Australasian Resources Limited ('**ARH**' or '**Company**') is pleased to announce the signing of an EPC Management Contract ('**EPCM Contract**') and a Technical Service Contract between its 100% owned subsidiary, International Minerals Pty Ltd. ('**IM**') and MCC Overseas HK Ltd. ('**MCC HK**').

The signing of the two contracts is a significant milestone in developing the Balmoral South Iron Ore Project ('**BSIOP**' or '**Project**') in accordance with the terms and conditions set out in the non-binding MOU which IM entered into with MCC HK in September 2011 and later extended by mutual agreement in February this year.

The EPCM Contract appoints MCC HK as the engineering, procurement and construction management contractor ('**EPCM Contractor**') for the BSIOP. Over the term of the construction of the Project, IM will pay MCC HK an EPC Management Fee based on a percentage of all payments made in the construction of the project by IM.

As the EPCM Contractor, MCC HK will:

- assist IM in procuring fixed price contracts for construction the Project, these contracts are to be issued and executed by IM and the various contractors; and
- manage the contractors and oversee the delivery of each contract.

The Technical Service Contract commissions MCC HK to prepare a Chinese Financing Technical Report for the BSIOP which will provide further support to IM in applying for export credit financing from Chinese banks to secure 75% of the project funding.

Right to Mine an Additional Billion Tonnes of Ore

As announced on 15 March 2012, the Company has concluded negotiations with Mineralogy Pty Ltd ('**Mineralogy**'), a company owned by the Company's major shareholder Clive Palmer, for the acquisition of the right to mine an additional one billion tonnes of ore from the Balmoral region.

Details of the transaction will be provided in the Notice of Meeting and Independent Export's Report to be released to shareholders in the coming weeks when the documents have been approved by ASIC. Shareholders will then have the opportunity to consider and vote on the proposed transaction. Part of the proposal is that Mineralogy will subscribe for \$5,500,000 in shares in the Company and its subsidiaries; further to this arrangement Mineralogy

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
Mr Dio Wang	Managing Director
Mr Clive Mensink	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.

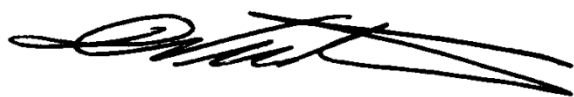
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will also be issued ARH options to the value of \$2,000,000. These additional funds will enable the Company to pursue and finalize funding solutions for the project whilst also providing the Company with sufficient working capital for its immediate needs.

Summary

The ARH Board believes that the execution of the EPCM Contract and the Technical Service Contract are significant milestone in the development of the BSIOP. The Company will work in conjunction with MCC HK in the coming months to secure capital for the Project and enable further development of its world class magnetite project.



Domenic Martino
Chairman

BIG
PROJECT



BIG
PARTNER



BIG
YEAR

