



Quarterly Report

Three months ending 31 March, 2000

OVERVIEW

Cibaliung Joint Venture - West Java, Indonesia

- The Company commenced drilling at the Cibaliung Project in the latter part of the quarter where an Inferred Resource of 993,000 tonnes @ 9.78 g/t Au and 57.4 g/t Ag containing 312,230 ounces of gold and 1.83 million ounces of silver has previously been announced.

Saran Project - West Kalimantan, Indonesia

- ARX has appointed Investor Resources Ltd. to seek third party interest in the Saran Project.

Corporate

- The Company completed a capital raising of A\$3.7 million by way of a placement of 49.5 million shares at 7.5 cents.

Expenditure

- Total exploration expenditure for the quarter was A\$217,000.

John C. Carlile,
Managing Director & CEO
13 April, 2000



For details
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Andrew J. Cooke,
Company Secretary,
Austindo Resources

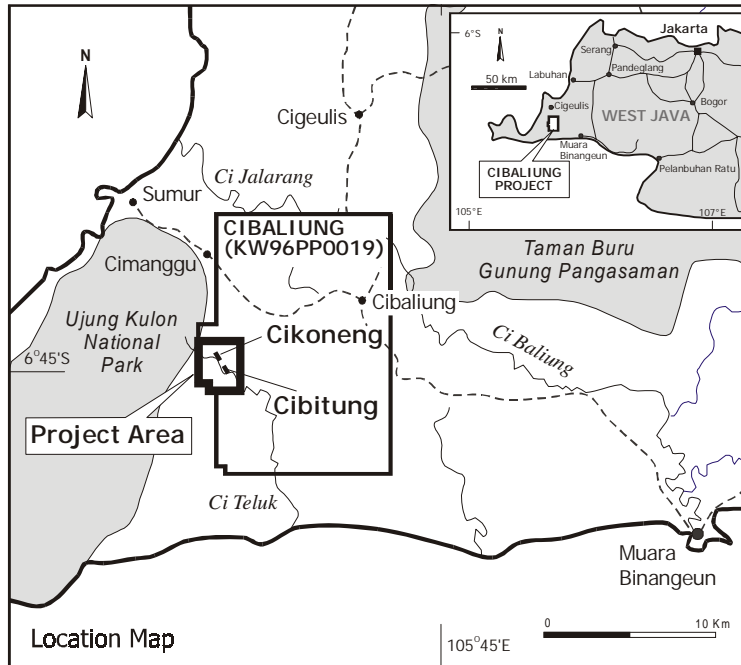
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Quarter ending
31 March 2000

EXPLORATION

Cibaliung Project – West Java

Work Program 2000

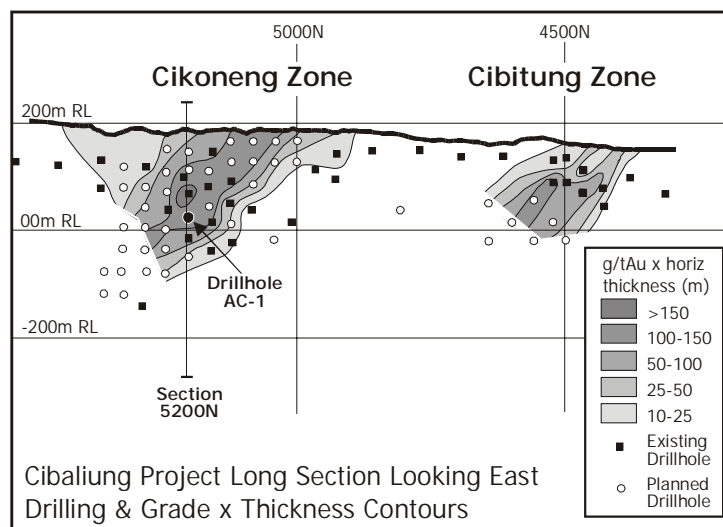


The 2000 work program is designed to advance knowledge of the project to the stage where a feasibility study can be commenced in 2001. The main activity for the year will be drilling, with three objectives.

1. To upgrade the current resource from “Inferred” to “Indicated” category.
2. To increase the overall magnitude of the known resource.
3. To locate new

resources through scout drilling.

A program of 10,000 metres is planned, the results of which, if successful, will justify the commencement of a pre-feasibility study. The target is to define a potentially mineable resource of around one million tonnes with grades similar to the current “Inferred Resource”.



Land ownership studies, baseline environmental studies and environmental monitoring will be carried out during the year. The budget for the 2000 work program is US\$1.4 million.

Work Completed

Preliminary Scoping Study

Australian Mining Consultants Pty Ltd was engaged to provide advice on mining and resource aspects of the project by way of a Preliminary Scoping Study. The purpose of this study was twofold. Firstly to determine if a project of this style and potential size could be economically viable and secondly to identify those critical issues that needed to be addressed in the 2000 work program.

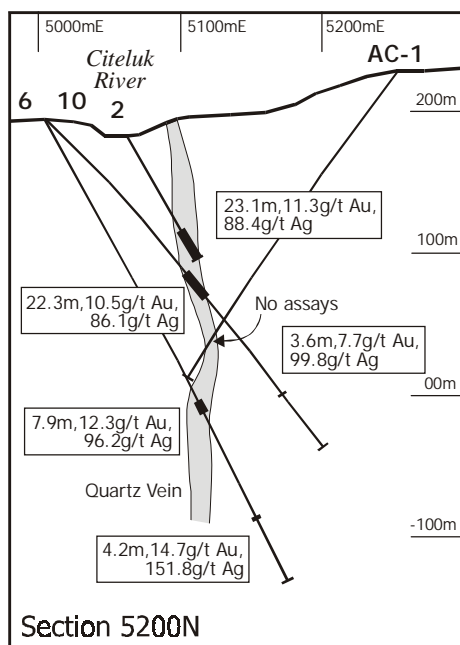
The key findings of the study were.

- Any mining operation will likely be underground.
- The vein and wallrocks are relatively weak and highly fractured.
- Ground conditions at Cikoneng are better than at Cibitung.
- A project with a mineable resource of around 1 million tonnes at grades similar to the current "Inferred Resource" has the potential to be economically viable.

Environmental Studies

A preliminary environmental study has been initiated. Work will comprise soil and water quality sampling, biological inventory (both aquatic and terrestrial) and socio-economic studies to identify key environmental issues and impacts. A baseline study will be completed and a program of environmental monitoring will be implemented.

Drilling



Drilling at Cikoneng commenced on 20 March 2000. The first hole, AC-1, on section 5200N has been completed and was planned to provide initial confirmation of the vein geometry and grade within the main Cikoneng shoot. It also closes the vertical spacing to 40 metres between drill hole intercepts on this section.

The hole entered the hanging wall quartz stockwork at 196m downhole and intersected the main vein structure from 221.7m to 235.9m downhole. The vein intercept shows similar textures and mineral contents to that of the adjacent holes. Assay results are not yet available.

Tenement Relinquishment

The eastern Kuasa Pertambangan (“KP”) tenement was assessed and due to its lack of prospectivity is in the process of being relinquished by the joint venture. The western KP containing the important mineralised zones that has been retained comprises 15,710 hectares.

Project Staffing

Austindo has assembled a project team at Cibaliung, comprising a project manager, two geologists, a database supervisor, an environmental officer and a project administrator.

Saran Project – West Kalimantan

ARX has appointed Investor Resources Ltd. to seek third party interest in the Saran project to enable the Company to concentrate its resources on the more advanced project at Cibaliung.

CORPORATE

On 23 February, 2000 shareholders approved the allotment of 49,468,583 new shares in the company at 7.5 cents each. The new issue raised \$3.7 million which will enable the Company to meet its immediate and medium term financial obligations in respect of the Cibaliung Project. In addition the proceeds will be applied in the Company’s continuing efforts to identify new project opportunities as part of its strategy to diversify its asset portfolio within the south-east Asian region.

Following the new issue the issued capital of the Company has increased to 197,666,687 ordinary fully paid shares.

EXPENDITURE

Exploration expenditure at the Cibaliung Project in Indonesia during the quarter amounted to A\$217,000.

In accordance with Australian Stock Exchange Listing Rule 5.10, this report is based on information compiled by Mr. Drew D. Henry as Consultant Geologist for the Company. Mr. Henry has consented in writing to the inclusion of such information in this report in the form and context in which it appears. Mr. Henry is a Fellow of the Australasian Institute of Mining and Metallurgy and a Member of the Australian Institute of Geoscientists and holds the relevant qualifications as a "competent person" as defined by the Australasian Code for Reporting of Identified Mineral Resources and Ore Reserves.

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