



**Austindo Resources Corporation N.L.**  
**A.B.N. 48 002 678 640**

**Consolidated Financial Report**

**Half-Year Ended 30 June 2004**

Directors' Report  
Consolidated Statement of Financial Performance  
Consolidated Statement of Financial Position  
Consolidated Statement of Cash Flows  
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Directors' Declaration  
Audit Review Report

## AUSTINDO RESOURCES CORPORATION N.L.

### DIRECTORS' REPORT FOR THE HALF YEAR ENDED 30 JUNE 2004

Your directors present the financial report of the economic entity for the half-year ended 30 June 2004

#### Directors

The names of Directors who held office during or since the end of the half-year are as follows:

Mr. Pieter W. Greeff (Non-Executive Chairman)

Mr. Ian L. Price (Managing Director)

Mr. George S. Tahija

Mr. John C. Carlile

Mr. Chris P. Melloy

Mr. Bruce J. Paterson

#### Review of Operations

During the six-month period to 30 June 2004, the economic entity continued exploration and completed a bankable feasibility study of the Cibaliung project in Banten Province, west Java. In addition, some pre-implementation work and permitting for development of the project was undertaken. In accordance with the terms of the Joint Venture Agreement the Company's interest in the Cibaliung Project has increased to 83.76% at the end of the period due to sole funding of joint venture expenditure.

The process of liquidating P.T. Eastara Melawi Mineral is continuing.

The Company's wholly owned subsidiary - Alexander Resources Limited ("ARL") holds extensive exploration and mining tenement positions which encompasses the whole of the Mt Alexander goldfield in the Castlemaine district of Victoria. In addition, ARL holds options over the Raywood and Sebastian prospects to the north of Bendigo, Victoria. The Company has identified gold targets for drill testing and completed a project assessment to assist in determining options for the advancement of these prospects.

The consolidated loss of the economic entity for the period was \$683,802 after income tax.

This report is signed in accordance with a resolution of the Board of Directors.

Dated at Melbourne, Victoria, this 10th day of September 2004.

*Signed Ian Price*

**Ian Price**

Managing Director & CEO

*Signed Bruce Paterson*

**Bruce Paterson**

Director

**AUSTINDO RESOURCES CORPORATION N.L.**  
**CONSOLIDATED STATEMENT OF FINANCIAL PERFORMANCE**  
**FOR THE HALF YEAR ENDED 30 JUNE 2004**

	<b>30 June 2004</b>	<b>30 June 2003</b>
	\$	\$
Revenue from ordinary activities	96,579	97,476
Employee benefits expense	(180,114)	(125,327)
Depreciation and amortisation expense	(15,942)	(22,396)
Borrowings costs expense	(34,906)	(34,343)
Management and administration expense	(299,283)	(174,221)
Unrealised foreign exchange gain (loss)	(48,858)	110,908
Business development expense	(185,585)	-
Other expenses from ordinary activities	<u>(15,693)</u>	<u>(76,323)</u>
<b>Profit (loss) from ordinary activities before income tax expense</b>	(683,802)	(224,226)
<b>Net profit (loss) attributable to outside equity interests</b>	-	-
<b>Profit (loss) from ordinary activities after income tax expense</b>	<u>(683,802)</u>	<u>(224,226)</u>
<b>Net profit (loss) attributable to members of the parent entity</b>	<u><u>(683,802)</u></u>	<u><u>(224,226)</u></u>
<b>Basic earnings (loss) per share (cents per share)</b>	<b>(0.14)</b>	<b>(0.06)</b>
<b>Diluted earnings (loss) per share (cents per share)</b>	<b>(0.14)</b>	<b>(0.06)</b>

The accompanying notes form part of these financial statements

**AUSTINDO RESOURCES CORPORATION N.L.**  
**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT 30 JUNE 2004**

	<b>30 June 2004</b>	<b>31 December 2003</b>
	\$	\$
<b>CURRENT ASSETS</b>		
Cash assets	1,893,269	5,248,313
Receivables	42,127	42,599
Other	374,716	682,149
<b>TOTAL CURRENT ASSETS</b>	<u>2,310,112</u>	<u>5,973,061</u>
<b>NON-CURRENT ASSETS</b>		
Property, plant and equipment	435,671	460,477
Exploration expenditure	11,235,114	9,007,182
Other	555,521	-
<b>TOTAL NON-CURRENT ASSETS</b>	<u>12,226,306</u>	<u>9,467,659</u>
<b>TOTAL ASSETS</b>	<u><u>14,536,418</u></u>	<u><u>15,440,720</u></u>
<b>CURRENT LIABILITIES</b>		
Payables	564,917	752,685
Interest bearing liabilities	900,000	900,000
Other	66,216	66,216
<b>TOTAL CURRENT LIABILITIES</b>	<u>1,531,133</u>	<u>1,718,901</u>
<b>NON CURRENT LIABILITIES</b>		
Provisions	911,989	865,084
	<u>911,989</u>	<u>865,084</u>
<b>TOTAL LIABILITIES</b>	<u>2,443,122</u>	<u>2,583,985</u>
<b>NET ASSETS</b>	<u><u>12,093,296</u></u>	<u><u>12,856,735</u></u>
<b>EQUITY</b>		
Contributed equity	42,720,029	42,720,029
Retained profits (accumulated losses)	(31,145,216)	(30,461,414)
Austindo Resources Corporation N.L. interest	11,574,813	12,258,615
Outside equity interests	518,483	598,120
<b>TOTAL EQUITY</b>	<u><u>12,093,296</u></u>	<u><u>12,856,735</u></u>

The accompanying notes form part of these financial statements

**AUSTINDO RESOURCES CORPORATION N.L.**  
**CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE HALF YEAR ENDED 30 JUNE 2004**

	<b>30 June 2004</b>	<b>30 June 2003</b>
	\$	\$
<b>Cash flows from operating activities</b>		
Receipts from customers	-	-
Payments to suppliers and employees	(3,404,983)	(1,291,175)
Interest received	108,213	132,329
Borrowing costs	-	(3,433)
<b>Net cash inflows (outflow) from operating activities</b>	<u>(3,296,770)</u>	<u>(1,162,279)</u>
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(13,236)	(14,045)
Amounts held in trust not accessible	(66,216)	-
<b>Net cash inflows (outflows) from investing activities</b>	<u>(79,452)</u>	<u>(14,045)</u>
<b>Cash flows from financing activities</b>		
Repayment of loans	-	(119,264)
Payments to former shareholders *	-	(69)
<b>Net cash inflows (outflows) from financing activities</b>	<u>-</u>	<u>(119,333)</u>
Net increase (decrease) in cash held	(3,376,222)	(1,295,657)
Cash at beginning of financial period	5,248,313	5,012,139
Net effect of exchange rate changes on cash	21,178	(20,075)
<b>Cash at the end of the financial period</b>	<u><u>1,893,269</u></u>	<u><u>3,696,407</u></u>

\* Proceeds from the sale of shares in 1994, on behalf of shareholders holding an unmarketable parcel of shares, in accordance with the Constitution.

The accompanying notes form part of these financial statements

**AUSTINDO RESOURCES CORPORATION N.L.**  
**NOTES TO THE CONSOLIDATED FINANCIAL REPORT**  
**FOR THE HALF YEAR ENDED 30 JUNE 2004**

**1 Basis of Preparation of the Accounts**

This general purpose half-year consolidated financial report has been made out in accordance with the requirements of the Corporations Act 2001, Accounting Standard AASB 1029: Interim Financial Reporting, Urgent Issues Group Consensus Views and other mandatory professional reporting requirements

It is recommended that this financial report is read in conjunction with the Annual Financial Statements of Austindo Resources Corporation N.L. as at 31 December 2003, together with any public announcements made by Austindo Resources Corporation N.L. during the half-year ended 30 June 2004 in accordance with the continuous disclosure obligations arising under the Corporations Act 2001.

For the purposes of preparing the half-year financial statements, the half-year has been treated as a discrete reporting period.

The accounting policies have been consistently applied by the entities in the economic entity and are consistent with those of the previous financial year and corresponding half-year.

The half year report does not include full disclosures of the type normally included in the annual financial report.

	<b>30 June 2004</b>	<b>30 June 2003</b>
	\$	\$

**2 Profit From Ordinary Activities**

The following revenue and expense items are relevant in explaining the financial performance for the interim period:

Interest Revenue	96,579	97,476
Interest Expense	(34,906)	(34,343)
Unrealised Foreign Exchange Gain/(Loss)	(48,858)	110,908
	(48,858)	110,908

**AUSTINDO RESOURCES CORPORATION N.L.**  
**NOTES TO THE CONSOLIDATED FINANCIAL REPORT**  
**FOR THE HALF YEAR ENDED 30 JUNE 2004**

	<b>30 June 2004</b>	<b>30 June 2003</b>
	\$	\$
<b>3 Non Cash Financing Activities</b>		
Interest accrued in respect of convertible notes issued to PT Austindo Nusantara Jaya	46,542	41,212

**4 Segment Information**

**Geographical Segments**

	Management & Investment - Australia	Mineral Exploration & Development - Indonesia	Mineral Exploration & Development - Australia	Eliminations	Consolidated Entity
	30 June 2004	30 June 2004	30 June 2004	30 June 2004	30 June 2004
	\$	\$	\$	\$	\$
Revenue from ordinary activities	91,243	2,682	2,654	-	96,579

**Segment Result**

Profit (loss) from ordinary activities before income tax expense	47,307	(563,768)	(140,729)	(26,612)	(683,802)
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**5 PT Cibaliung Sumberdaya**

On 2 November, 1999 Austindo Resources Corporation N.L. entered into a Joint Venture Agreement ("JVA") with International Antam Resources Limited ("IAR"), PT Antam Tbk ("Antam") and PT Antam Resourcindo (a subsidiary of IAR) to jointly explore and develop the Cibaliung Gold Project in Banten Province - west Java, Indonesia.

In December 2003 the JVA was amended such that IAR is not longer a joint venture participant and has been replaced in all respects by Antam. PT Antam Resourcindo has become a subsidiary of Antam.

In accordance with the JVA, each party is liable to contribute to the joint venture on an equity basis. Antam has elected not to contribute to the Cibaliung work programme for the 2004 year, and as a consequence its interest in Cibaliung has been diluted. The current joint venture interests are the Company 83.76% (up from 75.77% at the previous half year) and IAR 16.24% (down from 24.23%).

**AUSTINDO RESOURCES CORPORATION N.L.**  
**NOTES TO THE CONSOLIDATED FINANCIAL REPORT**  
**FOR THE HALF YEAR ENDED 30 JUNE 2004**

**6 PT Eastara Melaw Mineral - Liquidation**

PT Eastara Melawi Mineral ("EMM") (a controlled entity), ceased exploration activities in October 1999, as a commercially viable gold deposit had not been located.

On 9 June 2000 it was resolved that EMM be dissolved and that the appropriate steps be taken to terminate the Contract of Work with the Government of the Republic of Indonesia. On 24 October 2000 the Company applied for the termination of the Contract of Work with the Government of the Republic of Indonesia. The Minister of Mines and Energy approved the termination in his decision letter No. 542 K/20/MEM/2001 dated 24 April 2001 effective from 24 October 2000.

EMM is now proceeding to liquidation. The Liquidation Deed was signed on 25 October 2002.

The Ministry of Justice and Human Right has received and recorded EMM dissolution, confirmed by letter Number: C-UM.02.01.3703 dated 18 November 2002. The South Jakarta Office of Industry and Trade has delisted EMM's company registration, as stated in their letter Number: 12/09-03/WDP/I/2003 dated January 2003. On 6 February 2003 EMM made application to cancel its tax ID number.

**7 Contingent Liabilities**

The Directors are aware of a first registered fixed and floating charge registered under the Corporations Law, in favour of PT Austindo Nusantara Jaya, securing financial accommodation of \$900,000 provided by way of Convertible Notes. The charge is in respect of the whole of the undertaking and all of the assets, present and future, of Austindo Resources Corporation N.L..

As set out in Note 6, PT Eastara Melawi Mineral (a controlled entity) is proceeding into liquidation. The Directors intend to continue further funding sufficient to enable PT Eastara Melawi Mineral to meet its liabilities until the completion of its liquidation. It is not presently possible to reliably estimate the amount of future funding that may be required.

**8 Indonesian Economy**

The economic crisis affecting Indonesia has been ongoing for some years, and until now the Indonesian economy has not yet fully recovered. Macro economic conditions in 2004 are relatively stable and perceptions of the investment climate in Indonesia have improved.

With senior project management based in Indonesia the Board of Directors is satisfied that the Company is as well placed as any to deal effectively with this situation. The bulk of the Company's cash reserves are maintained on deposit within Australia.

**AUSTINDO RESOURCES CORPORATION N.L.**  
**NOTES TO THE CONSOLIDATED FINANCIAL REPORT**  
**FOR THE HALF YEAR ENDED 30 JUNE 2004**

**9 Matters Subsequent to the End of the Financial Period**

Austindo Resources Corporation N.L. has resolved to proceed with a placement of up to 70 million shares at 4.3 cents per share to raise additional working capital of \$3 million which will fund the Company through pre-implementation in respect of its 83.76% owned Cibaliung Gold Project in Banten Province, Indonesia.

The Company has also confirmed the completion and acceptance by the Joint Venture of the Bankable Feasibility Study for the Cibaliung Gold Project.

The Company has also resolved that the public will be offered shares in its subsidiary, Alexander Resources Limited ("Alexander") through an Initial Public Offering ("IPO") and listing of Alexander will be sought on the Australian Stock Exchange. The Alexander IPO will raise \$5 million and it is proposed this will be completed and listing sought before the end of 2004.

**AUSTINDO RESOURCES CORPORATION N.L.**

**DIRECTORS' DECLARATION**

The directors of Austindo Resources Corporation N.L. hereby declare that:

1. The financial statements and notes thereto:
  - (a) comply with accounting standard AASB1029: Interim Financial Reporting and the the Corporations Regulations; and
  - (b) give a true and fair view of the consolidated entity's financial position as at 30 June 2004 and of its performance for the period ended on that date;
2. In the directors' opinion, there are reasonable grounds to believe that Austindo Resources Corporation N.L. will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the directors this 10th day of September 2004.

*Signed Ian Price*

*Signed Bruce Paterson*

**Ian Price**  
Managing Director & CEO

**Bruce Paterson**  
Director



**INDEPENDENT REVIEW REPORT  
TO THE MEMBERS OF  
AUSTINDO RESOURCES CORPORATION NL ABN 48 002 678 640  
AND CONTROLLED ENTITIES**

**Scope**

We have reviewed the financial report of Austindo Resources Corporation NL for the half year ended 30 June 2004 comprising the statement of financial performance, statement of financial position and statement of cash flows, notes to the financial statements and directors declaration. The financial report includes the consolidated financial statements of the consolidated entity comprising the company and the entities it controlled at the end of the half year or from time to time during the half year. The company's directors are responsible for the financial report. We have performed an independent review of the financial report in order to state whether, on the basis of the procedures described, anything has come to our attention that would indicate that the financial report is not presented fairly in accordance with Accounting Standard AASB 1029: Interim Financial Reporting and other mandatory professional reporting requirements and statutory requirements, so as to present a view which is consistent with our understanding of the company's financial position, and performance as represented by the results of its operations and its cash flows, and in order for the company to lodge the financial report with the Australian Securities and Investments Commission/Australian Stock Exchange Limited.

Our review has been conducted in accordance with Australian Auditing Standards applicable to review engagements. A review is limited primarily to inquiries of company personnel and analytical procedures applied to the financial data. These procedures do not provide all the evidence that would be required in an audit, thus the level of assurance provided is less than given in an audit. We have not performed an audit and, accordingly we do not express an audit opinion.

**Statement**

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half year financial report of Austindo Resources Corporation NL is not in accordance with:

- (a) the Corporations Act 2001, including:
  - (i) giving a true and fair view of the company's financial position as at 30 June 2004 and of its performance for the half year ended on that date; and
  - (ii) complying with Accounting Standard AASB 1029: Interim Financial Reporting and the Corporations Regulations 2001; and
- (b) other mandatory professional reporting requirements in Australia.

*Moores Rowland*

**MOORES ROWLAND**  
Chartered Accountants

  
R. B. Ryn  
Partner

Dated at SYDNEY this 10<sup>th</sup> day of September 2004.