

Austindo Resources Corporation N.L.

www.austindoresources.com.au

QUARTERLY REPORT: Three months ending June, 2005

HIGHLIGHTS

During the quarter, Austindo Resources Corporation NL (“Austindo” or the “Company”) has taken several exciting steps in its growth strategy in Indonesia, including a highly successful fundraising which combined with the project finance facility of US\$26 from ANZ Bank will enable the Company to commence the construction of the Cibaliung gold project. In addition, Austindo has significantly expanded potential new mining opportunities in Indonesia through two new key alliances.

Cibaliung Gold Project – Indonesia

- Austindo has successfully completed a placement and share purchase plan, underwritten by Austock Corporate Finance Limited, to raise a total of \$18.7 million to fund the development of Cibaliung gold project and exploration activities.
- The company agreed to purchase a gold processing plant located at the Mount Olympus Mine in WA for an overall cost expected to be less than estimated in the Cibaliung gold Project Feasibility Study.
- Environmental approval to proceed with the development of the mine at Cibaliung has been granted, paving the way for the Company to finalise other permits required by local regulatory authorities.
- Subject to final regulatory approvals, construction is expected to commence shortly with first gold production in 2006 and the Company is moving to finalise mine development and engineering contracts with preferred tenderers.



Project Generation - Indonesia

- The company entered into an alliance with PT Minorco Services Indonesia of the Anglo American Group to explore for large porphyry copper gold deposits in Papua.
- A new exploration tenement area in Central Java, called Pekalongan, was granted to PT Sumber Mineral Nusantara and will be joint ventured with Austindo.

Corporate

- Mr Bruce Watson was appointed as a non-executive director of the company and was subsequently appointed as Chairman following Mr Pieter Greeff's resignation as a director of Austindo. Pieter continues as a director of Alexander Resources Limited in which Austindo holds a 44.6% interest.
- Mr Mike Diemar, former Managing Director of Kingsgate Consolidated Ltd, was appointed as an Advisor to the Board on issues relating to the acquisition and development of new projects.

Expenditure

Exploration and pre-development expenditure in Indonesia during the quarter was A\$1,357,000.

CIBALIUNG GOLD PROJECT – INDONESIA (83.75%)

The Company's development focus in Indonesia is the Cibaliung Gold Project which is operated by PT. Cibaliung Sumberdaya, a joint venture company established between the Company and PT. AnTam Tbk. Cibaliung is located in Banten Province in the Pandeglang Kabupaten (Regency) near the western tip of the island of Java, 150km south west of Jakarta. In accordance with the terms of the joint venture agreement, the Company's interest in the Cibaliung Project as at 31 December 2004 stood at 83.76%.

Pre-engineering work for the construction of the project and contract tendering for major site construction elements continued during the quarter.

Environmental permitting

The Bupati of Pandeglang, responsible for the granting of environmental permits in relation to Cibaliung, has confirmed environmental authorisation to proceed with the development of the mine in accordance with the Company's development plan. This approval allows the Company to finalise other permits required by local regulatory authorities and reflects the achievement of a further crucial step towards construction at Cibaliung.

Financing

Austock Corporate Finance Limited undertook a placement of 447.9 million ordinary fully paid shares in the Company at 3.6 cents per share to raise A\$16.1 million for the development of the Cibaliung Gold Project and the Company's exploration activities in Indonesia. Tranche one, comprising 84.3 million shares and raising A\$3.0 million, is complete, and tranche two comprising 363.6 million shares raising A\$13.1 million was approved by shareholders at a meeting on 25 July.

Shareholders as at 15 June were offered opportunity to participate in an underwritten Share Purchase Plan ("SPP") under which all shareholders irrespective of the size of their shareholding could purchase up to \$5,000 worth of shares in the company at 3.6 cents per share raising a further A\$2.6 million.

With the completion of this equity funding and the US\$26.0 million (A\$34.0 million) project finance to be provided by ANZ Investment Bank, the Company is in a position to fund the development of the Cibaliung Gold Project.

Gold Plant Purchase

The company agreed to purchase the gold processing plant located at the Mount Olympus Mine near Paraburdoo WA from Sipa Exploration NL, after an independent inspection confirmed it is in excellent condition, for a purchase price of A\$2.575 million. The overall cost, including modifications and transportation, is expected to be less than that allowed for in the Cibaliung Gold Project Feasibility Study where cost estimates were based on all-new equipment.

Austindo has made a non-refundable payment to Sipa to secure Sipa's undertaking not to negotiate or deal with any other parties in respect of sale of the plant until 31 August 2005. This payment will be set off against the purchase price on settlement.

PROJECT GENERATION – INDONESIA

Capitalising on its strong relationships and technical and business expertise in Indonesia, Austindo significantly expanded its exploration activities during the quarter. The company formed a strategic alliance with Anglo American Group to explore for large porphyry copper gold deposits in Papua, with work commencing immediately. The following week, Austindo announced it would joint venture with PT Sumber Mineral Nusantara to explore a newly granted 5,618 ha tenement, Pekalongan, in Central Java, an area prospective for low sulphidation epithermal gold/silver deposits similar to Cibaliung.

CENTRAL VICTORIAN GOLDFIELDS – AUSTRALIA (44.6%)

Austindo's Australian assets were floated in the March 2005 listing of Alexander Resources Limited ("Alexander"), in which Austindo maintains a holding of 44.6% of the ordinary shares. Alexander announced on 11 July that drilling had recommenced at the Chewton and Sebastian projects in Central Victoria. Alexander's exploration expenditure during the quarter was A\$433,000.



Ian Price
Managing Director & CEO
28 July 2005

ABOUT AUSTINDO RESOURCES CORPORATION NL (ARX)

Formed in 1983, Austindo Resources Corporation NL is an Australian listed gold company focussed on developing projects in Indonesia. The company's key project is Cibaliung, a high-grade epithermal gold/silver vein system located southwest of Jakarta in Banten Province, western Java. Production at Cibaliung is expected to begin during calendar 2006, with an annual production rate of 70,000 oz (gold equivalent) at an average life of mine cash operating costs of less than US\$200 per ounce.

Two key strategic alliances in Indonesia are taking Austindo closer to achieving its growth objective. In association with Anglo American Group, the company is exploring for large porphyry copper/gold deposits in Papua, and also has a significant joint venture interest with PT Sumber Mineral Nusantara in the Pekalongan tenement in Central Java, an area prospective for low sulphidation epithermal gold/silver deposits similar to the Cibaliung project.

In addition, Austindo has an investment in Australian properties through its 44.6% interest in Alexander Resources Limited, which is exploring for gold in the Central Victorian Goldfields.

Appendix 5B

Mining exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/2001.

Name of entity

AUSTINDO RESOURCES CORPORATION N.L.

ACN or ARBN

002 678 640

Quarter ended ("current quarter")

30 June 2005

Consolidated statement of cash flows

		Current quarter		Year to date (6 months)	
		\$A'000		\$A'000	
Cash flows related to operating activities		Excluding Alexander Resources Ltd	Including Alexander Resources Ltd.	Excluding Alexander Resources Ltd	Including Alexander Resources Ltd.
1.2	Receipts from product sales and related debtors	-	-	-	-
	Payments for (a) exploration and evaluation*	(1,049)	(1,490)	(1,956)	(2,439)
	(b) development	-	-	-	-
	(c) production	-	-	-	-
	(d) administration	(228)	(556)	(454)	(885)
1.3	Dividends received	-	-	-	-
1.4	Interest and other items of a similar nature received	11	11	47	50
1.5	Interest and other costs of finance paid	(66)	(66)	(66)	(66)
1.6	Income taxes paid	-	-	-	-
1.7	Other (provide details if material)	-	-	-	-
	Net Operating Cash Flows	(1,332)	(2,101)	(2,429)	(3,340)
Cash flows related to investing activities					
1.8	Payment for purchases of: (a)prospects	-	-	-	-
	(b)equity investments	-	-	-	-
	(c) other fixed assets	(33)	(35)	(38)	(67)
1.9	Proceeds from sale of: (a)prospects	-	-	-	-
	(b)equity investments	-	-	-	-
	(c)other fixed assets	-	-	-	-
1.10	Loans to other entities	(179)	(179)	(254)	(254)
1.11	Loans repaid by other entities	-	-	117	-
1.12	Other	-	-	-	-
	Net investing cash flows	(212)	(214)	(175)	(321)
1.13	Total operating and investing cash flows (carried forward)	(1,544)	(2,315)	(2,604)	(3,661)

* Expenditure in relation to Cibaliung Joint Venture in Banten Province and exploration in Indonesia and by Alexander Resources Limited in Central Victoria

Appendix 5B
Mining exploration entity quarterly report

		Current quarter \$A'000	Year to date (6 months) \$A'000		
		Excluding Alexander Resources Ltd	Including Alexander Resources Ltd.	Excluding Alexander Resources Ltd	Including Alexander Resources Ltd.
1.13	Total operating and investing cash flows (brought forward)	(1,544)	(2,315)	(2,604)	(3,661)
	Cash flows related to financing activities				
1.14	Proceeds from issues of shares, options, etc.	-	-	-	1,740
1.15	Proceeds from sale of forfeited shares	-	-	-	-
1.16	Proceeds from borrowings	-	-	-	-
1.17	Repayment of borrowings	-	-	-	-
1.18	Dividends paid	-	-	-	-
1.19	Other (subscriptions received in advance, prepaid capital raising costs and capital raising costs of controlled entity)	3,031	3,003	3,031	2,669
	Net financing cash flows	3,031	3,003	3,031	4,409
	Net increase (decrease) in cash held	1,487	688	427	748
1.20	Cash at beginning of quarter/year to date	1,655	4,314	2,720	4,259
1.21	Exchange rate adjustments to item 1.20	(1)	(1)	(6)	(6)
1.22	Cash at end of quarter	3,141	5,001	3,141	5,001

Payments to directors of the entity and associates of the directors
Payments to related entities of the entity and associates of the related entities

		Current quarter \$A'000	
		Excluding Alexander Resources Ltd	Including Alexander Resources Ltd
1.23	Aggregate amount of payments to the parties included in item 1.2	103	195
1.24	Aggregate amount of loans to the parties included in item 1.10	179	179
1.25	Explanation necessary for an understanding of the transactions		
	Represents Managing Director & CEO Salary (ARX), Executive Chairman Salary ("AXD"), Non-Executive Directors Fees, and fees for professional services paid to entities associated with certain non-executive directors, at commercial rates.		

Non-cash financing and investing activities

2.1	Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows																				
	<p>In the previous quarter, a controlled entity, Alexander Resources Limited, completed the acquisition of Ironbark Mining Pty Ltd. In consideration of the issue of 5 million fully paid ordinary shares in Alexander Resources Limited to Peshurst Resources Limited.</p> <p>The fair value of assets acquired and liabilities assumed were as follows:</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td></td> <td style="text-align: right;">\$</td> </tr> <tr> <td>Other assets</td> <td style="text-align: right;">171</td> </tr> <tr> <td>Receivables</td> <td style="text-align: right;">10</td> </tr> <tr> <td>Property, plant and equipment</td> <td style="text-align: right;">41</td> </tr> <tr> <td>Mining tenements</td> <td style="text-align: right;">794</td> </tr> <tr> <td>Payables</td> <td style="text-align: right;">(14)</td> </tr> <tr> <td>Provisions</td> <td style="text-align: right;">(152)</td> </tr> <tr> <td>Total purchase price</td> <td style="text-align: right;"><u>850</u></td> </tr> <tr> <td>Less: Cash of Ironbark</td> <td style="text-align: right;">-</td> </tr> <tr> <td>Cash flow on acquisition net of cash acquired</td> <td style="text-align: right;"><u>850</u></td> </tr> </table>		\$	Other assets	171	Receivables	10	Property, plant and equipment	41	Mining tenements	794	Payables	(14)	Provisions	(152)	Total purchase price	<u>850</u>	Less: Cash of Ironbark	-	Cash flow on acquisition net of cash acquired	<u>850</u>
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2.2	Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest																				
	NIL																				

Financing facilities available

Add notes as necessary for an understanding of the position.

		Amount available \$A'000	Amount used \$A'000
3.1	Loan facilities	-	-
3.2	Credit standby arrangements	-	-

Estimated cash outflows for next quarter

		\$A'000	
		Excluding Alexander Resources Ltd	Including Alexander Resources Ltd.
4.1	Exploration and evaluation	650	1,110
4.2	Development	5,870	5,870
	Total	6,520	6,980

Reconciliation of cash

		Current quarter \$A'000		Previous quarter \$A'000	
		Excluding Alexander Resources Ltd	Including Alexander Resources Ltd.	Excluding Alexander Resources Ltd	Including Alexander Resources Ltd.
Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.					
5.1	Cash on hand and at bank	105	105	436	3,095
5.2	Deposits at call	3,036	4,896	1,219	1,219
5.3	Bank overdraft	-	-	-	-
5.4	Other (Term Deposits)	-	-	-	-
Total: cash at end of quarter (item 1.22)		3,141	5,001	1,655	4,314

Changes in interests in mining tenements

		Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1	Interests in mining tenements relinquished, reduced or lapsed	-	-	-	-
6.2	Interests in mining tenements acquired or increased	Cibaliung Project KP (held by PT Antam Tbk)	Increase in Joint Venture interest due to sole funding of joint venture expenditure	83.76%	83.76%
		Pekalongan Project KP (held by PT Sumber Mineral Nusantara)	Majority Joint Venture Interest		

Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1 Preference +securities <i>(description)</i>	-	-	-	-
7.2 Changes during quarter				
(a) Increases through issues	-	-	-	-
(b) Decreases through returns of capital, buy-backs, redemptions	-	-	-	-
7.3 +Ordinary securities	646,639,667	646,639,667	-	-
7.4 Changes during quarter				
(a) Increases through issues	84,340,000	84,340,000	3.6	3.6
(b) Decreases through returns of capital, buy-backs	-	-	-	-
7.5 +Convertible debt securities <i>(description)</i>	16,363,636 *	-	5.5	5.5
7.6 Changes during quarter				
(a) Increases through issues	-	-	-	-
(b) Decreases through securities matured, converted	-	-	-	-
7.7 Options <i>(description and conversion factor)</i>	6,000,000	-	<i>Exercise price</i> 7	<i>Expiry date</i> 22/05/06
	3,000,000	-	7	22/10/07
	4,000,000	-	7	26/05/08
	2,000,000	-	7	10/12/09
	each to subscribe for one ordinary share in the capital of the Company			
7.8 Issued during quarter	-	-	-	-
7.9 Exercised during quarter	-	-	-	-
7.10 Expired during quarter	-	-	-	-
Debentures				
7.11 <i>(totals only)</i>	-	-		
7.12 Unsecured notes <i>(totals only)</i>	-	-		

* These notes bear interest at an interest rate equal to the 180 day bank bill swap reference rate plus 1%. The principal amount plus any interest accrued but unpaid may be converted into ordinary shares in the capital of the company at a rate of 5.5 cents per share at any time up to and including 30 June, 2005.

Compliance statement

1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Law or other standards acceptable to ASX (see note 4). The consolidated statement of cash flows (Item 1) and the reconciliation of cash (Item 5) include a fully consolidated statement of cash flows (including Alexander Resources Ltd) and a partly consolidated statement of cash flows (excluding Alexander Resources Ltd) as the directors believe that to not disclose this additional information would result in the presentation of misleading information as Alexander Resources Ltd is now a separate public listed controlled entity.

2 This statement does give a true and fair view of the matters disclosed.

Sign here: 
(Company secretary)

Date: 29 July 2005

Print name: Andrew J Cooke

Notes

1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.

2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.

3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.

4 The definitions in, and provisions of *AASB6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Cash Flow Statements* apply to this report.

5 **Accounting Standards** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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