



Austindo Resources Corporation N.L.
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Newsletter - January 2000

Corporate Profile

Austindo Resources Corporation N.L. ("ARX") is an Australian publicly listed company focusing on primary gold exploration in Indonesia. ARX has a strategic relationship with the Austindo Group of Indonesia, which also has responsibility for its management and is the largest single shareholder of ARX with a 42.47% interest.

ARX holds a 63% joint venture interest in the Cibaliung gold project; a high-grade epithermal gold vein system located 150 kilometres southwest of Jakarta in West Java, Indonesia. The Company also holds an 85% interest in PT. Eastara Melawi Mineral ("EMM"), a 4th generation Contract of Work in West Kalimantan where it has been exploring for primary gold at Saran.

Efforts to identify suitable projects in Australia continued throughout the year, however the Company's strategic advantage presently lies in the procurement, exploration and development of properties in Indonesia. Given the Company's relationship with the Austindo Group, and as new opportunities become available, an emphasis on procuring Indonesian properties is considered the most effective course for ARX to create shareholder value and achieve gold producer status within the medium term.

The next 12 months will see ARX focus primarily on increasing and upgrading the gold resources at Cibaliung. The Company will also continue its search for advanced high-grade gold projects in Indonesia and the adjacent region if appropriate opportunities can be identified.



Developments - 1999

1999 has been a difficult year for junior exploration companies, with historically low gold prices and, in the case of ARX, a period of great uncertainty in Indonesia. Gold prices reached a low of 250 US\$/oz largely as a result of the perceived threat of Central Bank sales, but recovered to the 280-300 US\$/oz range when the banks announced a 5-year agreement to limit gold sales.

In Indonesia, the transitional government of President Habibie was subject to major popular unrest. The country experienced turbulent times as it expedited its first democratic parliamentary elections in June, the East Timor referendum in August and then the presidential elections in November.

Despite these conditions, ARX has maintained its focus on Indonesia and believes that it is now well positioned to benefit from the improved conditions following the recent election of a new President of Indonesia and modest recoveries in the gold price.

During the year, the Austindo Group's management team in Jakarta under the direction of Mr. John Carlile has been realigned and strengthened. Mr. Jun Angeles, previously exploration manager at Newcrest has taken the same position at Austindo, replacing Mr. Colin Davies who is now responsible for Business Development and new project acquisitions. Mr. Sucipto Marijan will focus on developing the Company's Government and community relations, which includes the important issue of a strategy to operate effectively under the New Law No.22 relating to district autonomy in Indonesia.

In May, the Company reduced all project work in West Kalimantan to a minimum in the lead-up to, and following, the General Election in June, due to security concerns that prevailed in the country at the time.

During June, EMM filed a major relinquishment of unprospective ground in the EMM Contract of Work, the approval of which was subsequently granted by the Department of Mines. The result was a reduction in the Contract of Work area from 115,000ha to ~29,000ha. The retained area comprised the western edge of the Saran Block and the designated community mining area at Ellahulu from the Melawi Blocks.

By August, the Company had signed Letters of Intent to take up a 63% interest in the Cibaliung gold project as part of its strategy to diversify and expand its asset portfolio.

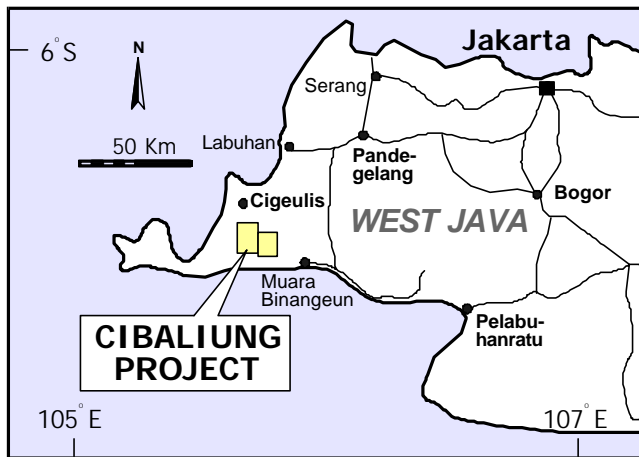
Through September-October, ARX undertook the first stage of a diamond drilling programme at its Saran project in West Kalimantan. Results from the first of a number of breccia targets tested were disappointing and accordingly, the Company resolved to seek third party interest in the Saran project to allow for the testing of remaining targets. The Company will now redirect its resources to exploration and resource drilling at Cibaliung.

By November, the Company had executed the Cibaliung joint venture agreement and after assessing all available data announced an Inferred Resource at Cibaliung of 993,000 tonnes @ 9.78 g/t gold and 57.4 g/t silver. This equates to 312,230 contained ounces of gold and 1.83 million contained ounces of silver. ARX will manage the project whilst it is the majority shareholder and will fund the next stage of exploration expenditure up to US\$ 1.425 million

In mid December, ARX announced a proposed A\$3.7 million share placement to major shareholders at the market price of 7.5 cents. This funding will be applied to advance the next stage of drilling at Cibaliung and to provide additional funds to identify and secure the next acquisition target. This placement is subject to independent shareholder approval to be sought in February 2000.

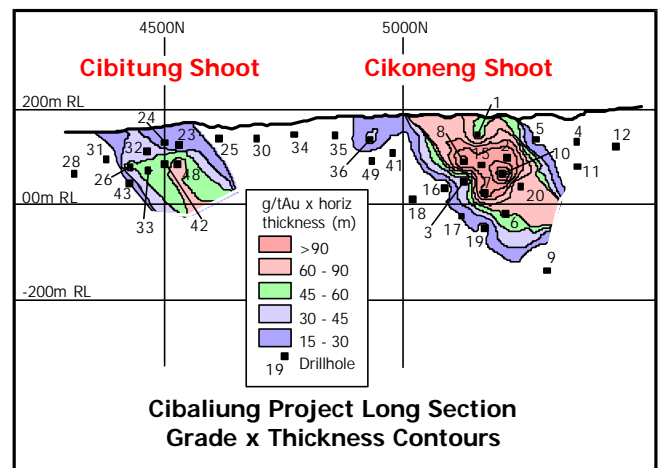
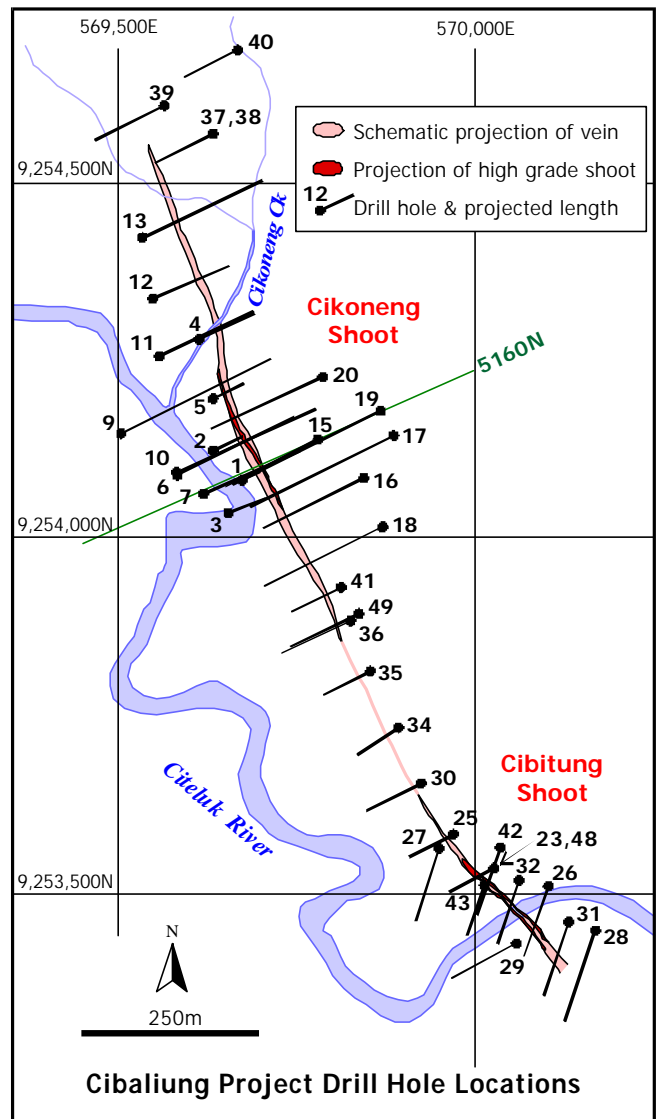
Cibaliung Project

The Cibaliung gold project is a high-grade epithermal gold vein system located 150 kilometres southwest of Jakarta in West Java, Indonesia. The project is covered by two Kuasa Pertambangan (KP) exploration titles held by joint venture partners International Antam Resources Ltd. ("IAR") and PT. Aneka Tambang ("AnTam"). IAR is a publicly listed Canadian company owned 82% by AnTam, which is listed on both the Jakarta and Australian Stock Exchange.



GEOLOGICAL INTERPRETATION

Potentially economic gold and silver mineralisation at Cibaliung is hosted within a system of epithermal quartz and quartz-adularia veins. The veins have a predominantly NNW trend that has been traced on surface for a distance of 1.4 km. The veins appear to have been emplaced in dilational structures resulting from the interaction of two regional trends; a major EW regional lineament and the NNW Cikoneng trend. High-grade mineralisation has been identified in two shoot-like structures referred to as Cikoneng and Cibitung. These high-grade shoots appear to be structurally controlled and both plunge to the north at approximately 45°.

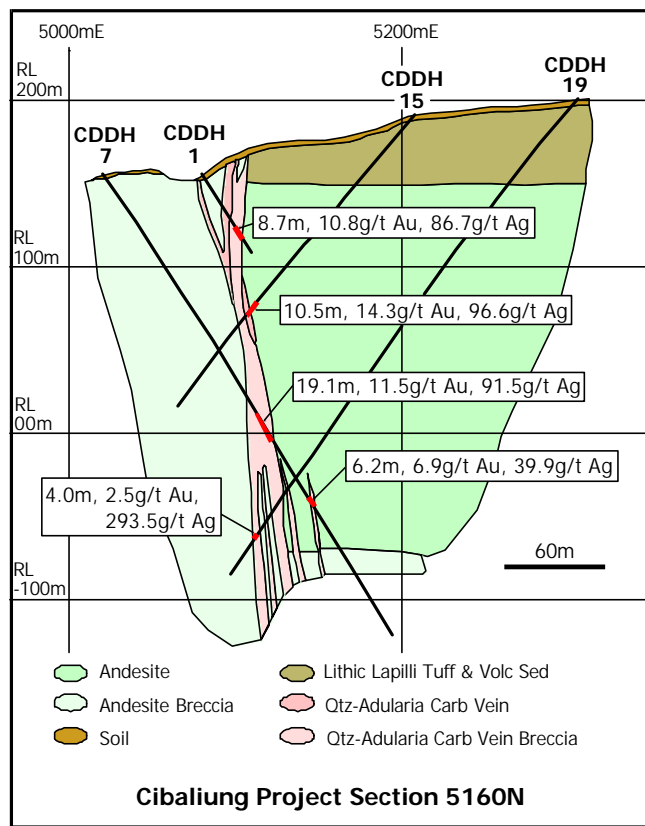


The Cikoneng Shoot can be traced over a strike length of 280 metres. In the south, the higher grades are located on the eastern or hanging wall of the vein and are associated with the sheared and faulted contact of the vein structure and wall rocks. This shoot appears to be associated with a post quartz vein structure cutting obliquely across the vein from SSE to NNW. The Cibitung Shoot can be traced over a strike length of 110 metres. It is more complex than Cikoneng, with higher grades on both the footwall and hanging wall of the vein.

RESOURCE ESTIMATES

The property has previously been tested by 49 drill holes of which 43 were drilled to test the Cikoneng and Cibitung structure. The resources at Cibaliung have been classified by Mr. Drew Henry of Henry Consultancies Pty. Ltd. as Inferred under the JORC code. Results from 25 holes provided the information used in the calculation of the Inferred Resource. An additional 18 holes were drilled outside the identified plunging ore shoots holes while another 6 holes were drilled to test other targets in the project area.

Cikoneng Shoot	649,000 tonnes @ 9.76 g/t Au & 70.3 g/t Ag
Cibitung Shoot	344,000 tonnes @ 9.83 g/t Au & 33.1 g/t Ag
INFERRED RESOURCE	993,000 tonnes @ 9.78 g/t Au & 57.4 g/t Ag
CONTAINED METAL	312,230 oz gold & 1.83 million oz silver



WORK PROGRAMME - 2000

The exploration programme will seek to confirm the current Inferred Resource, upgrade it to Indicated status, explore extensions to the mineralised zones to increase the Inferred Resources, and define new priority targets adjacent to Cikoneng & Cibitung. Fieldwork is scheduled to commence in mid January.

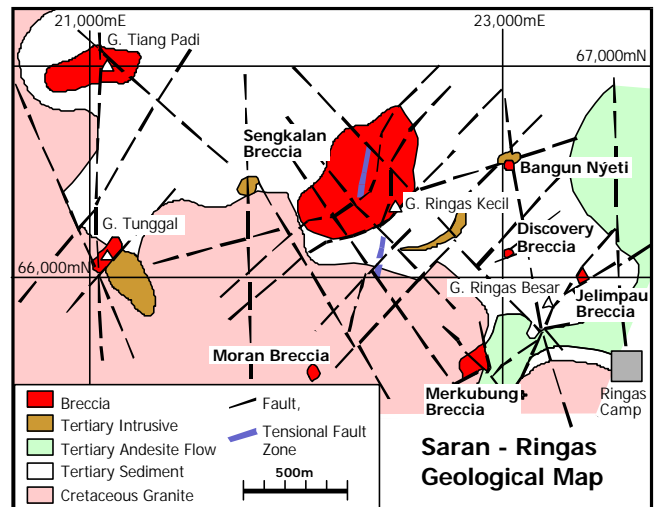
PT. Eastara Melawi Mineral

PT. Eastara Melawi Mineral, an 85% owned subsidiary of ARX, has a 4th generation Contract of Work in West Kalimantan where it has been exploring for primary gold at Saran and progressing a community development mining programme for the alluvial gold deposits at Melawi.

SARAN PROJECT

The Company's main exploration focus in 1999 was directed at the Ringas gold project where it drill tested one of a number of anomalous breccia targets. The Sengkalan target was selected on an integrated interpretation of geology, structure, visible surface mineralisation, soil geochemistry and IP geophysics.

Drilling confirmed the presence of a large breccia hosted alteration system containing sulphide but did not intersect potentially economic gold mineralisation. The prospectivity of other breccia targets at Tiang Padi, Tunggal & Merkubung in the Ringas Prospect remains to be tested, as do more regional targets in the Saran Block. However, ARX has resolved to seek third party interest in the Saran project to enable the Company to concentrate its resources in the more advanced project at Cibaliung.



MELAWI PROJECT

Simultaneously, the Company has developed a community mining proposal at Ellahulu over the selected alluvial areas. However, implementation of this plan still awaits approval from the Department of Mines.

Board of Directors

Mr. George Tahija, the Non-Executive Chairman of the Company is Chief Executive of the Austindo Group and a Commissioner of PT. Freeport Indonesia. Mr. Tahija trained as a mechanical engineer before obtaining an MBA from the University of Virginia, USA. He brings a wide range of business experience in Indonesia and elsewhere to the Company. The Austindo Group has interests in exploration & mining, power generation, plantations and financial services.

Mr. John Carlile, the Company's Managing Director and Chief Executive Officer is also Chief Operating Officer of PT. Austindo Mining Corporation which manages ARX. He is a geologist with more than 20 years experience in gold and base metal exploration primarily in south-east Asia, Indochina and South America. Formerly holding positions with BHP, Muswellbrook Energy & Minerals and Newcrest Mining, Mr. Carlile has published a number of papers on exploration topics in the region and while at Newcrest, established and led the team responsible for the discovery and exploration of the Gosowong gold deposit in Halmahera, Indonesia.

Mr. Kingston Lee is the Non-Executive Deputy Chairman and together with **Ms. Anna Cheng** represents the Po Wing Kwan Group of Hong Kong on the Board of Directors. Mr. Lee's experience spans property management, marketing and trading businesses, while Ms. Cheng is a qualified accountant specialising in audit, accountancy and financial control.

Mr. Bruce Watson and **Mr. Bruce Paterson** as independent Non-Executive Directors based in Australia bring strong legal, mining industry and corporate expertise to the Company. Mr. Watson is a Sydney based merchant banker and a director of Grant Samuel & Associates specialising in mergers & acquisitions. Mr. Paterson is a Melbourne based corporate lawyer, formerly of Newcrest Mining who now specialises in legal & commercial services to resource companies.

Management Team

Mr. Colin Davies is a geologist with over 17 years experience in gold & diamond exploration of which 11 years have been spent in Indonesia. Prior to joining Austindo he worked with Santa Fe Pacific Gold in South America, Pelsart Resources in Indonesia and BP Minerals & Anglo American in southern Africa. He is presently Business Development Manager and responsible for new project acquisitions.

Mr. Jun Angeles is the new Exploration Manager with over 22 years experience in gold and base metals in Asia. Previously with Newcrest Mining & Renison Goldfields, Mr. Angeles brings substantial knowledge of managing advanced projects (including Gosowong) that will be crucial in the development of Cibaliung.

Mr. Sucipto Marijan most recently spent 6 years with Newcrest Mining in Indonesia as Administration Manager before joining Austindo. He is responsible for all Government Affairs and Community Relations that will be key elements to future exploration and mine development programmes in Indonesia.

Mr. Jim Walker has been appointed Cibaliung project manager. A geologist with 12 years experience in western USA, Mexico and Indonesia, he was the former project manager of Cibaliung during his tenure with Palmer Resources and thereafter Project Geologist at Saran.

In Australia, the Board is supported by the Company Secretary - **Mr. Andrew Cooke** who has worked with the company for over 7 years and is a lawyer with extensive corporate and resource sector experience. Mr. Cooke is responsible for ASX corporate compliance and all statutory filings.

Issued Capital

The issued capital of the Company is 148,198,104 ordinary shares.

A placement of 49,468,583 new shares at A\$0.075 per share to selected parties including the Austindo Group is scheduled in February 2000 to raise A\$ 3,710,143.72. This issue will be subject to independent shareholder approval. Upon completion the Austindo Group will hold 46.07% of the issued capital.

PT. Austindo Mining Corporation has the right to subscribe for up to another 45 million shares at A\$0.11 per share at any time prior to February 2001. If exercised, this option would inject a further A\$4,950,000 into ARX, raising the Austindo Group shareholding to 56.07% of the issued capital.

A further 5,000,000 options are on issue pursuant to the Staff Incentive Scheme exercisable at A\$0.20.

Investor Relations

For further information visit our web site at:

<http://www.austindoresources.com.au>

or contact the following.....

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The information in this report that relates to Mineral Resources or Ore Reserves is based on information compiled by Mr. Drew Henry, who is a Fellow of the Australasian Institute of Mining and Metallurgy and a Member of the Australian Institute of Geoscientists. Mr. Henry is employed by Henry Consultancies Pty Limited, which is a consultant to Austindo Resources Corporation N.L. Mr. Henry has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 1999 Edition of the "Australasian Code for Reporting of Mineral Resources and Ore Reserves". Mr. Henry consents to the inclusion in the report of the matters based on their information in the form and context in which it appears.