

Austindo Resources Corporation N.L.

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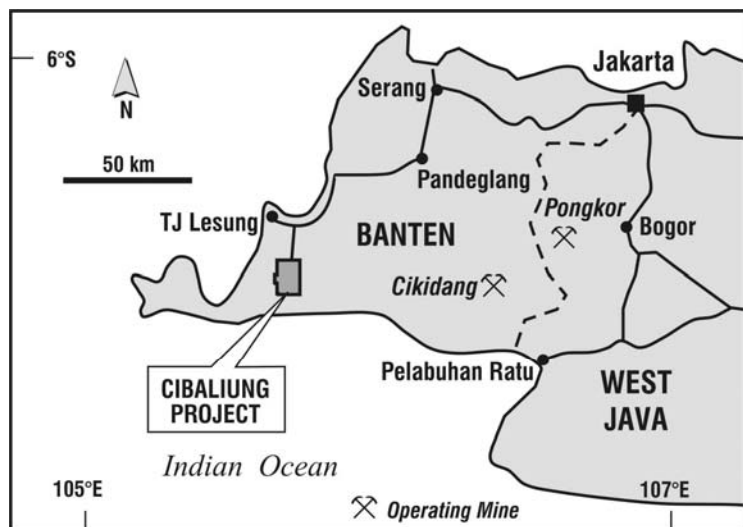
QUARTERLY REPORT: Three months ending 30 September 2005

HIGHLIGHTS

During the quarter, Austindo Resources Corporation NL (“Austindo” or the “Company”) significantly advanced the development of the Cibaliung Gold Project through the completion of the acquisition of the Mount Olympus gold processing plant and the granting of mining and site location permits.

Cibaliung Gold Project – Indonesia

- Shareholders approved a placement completing the process of raising equity funds of \$18.7 million towards the development of the Cibaliung Gold Project.
- The Company completed the acquisition of the Mount Olympus gold processing plant and engineering work associated with the relocation of this plant to Indonesia has commenced.
- The mining authorisation and site location permit were granted during the quarter. These two permits are the last major regulatory approvals required prior to the commencement of construction on site.
- Project development is on schedule for first gold production in the 4th Quarter 2006.



Project Generation - Indonesia

- Surface exploration at Pekalongan in Central Java, (in joint venture with PT Sumber Mineral Nusantara) commenced.
- Application has been made for a new exploration tenement in Papua pursuant to its alliance with the Anglo American Group to explore for large porphyry copper gold deposits.

Corporate

- Pieter Greeff resigned as Chairman effective 30 June, following which Mr. Bruce Watson was appointed as Chairman of the Company.

Expenditure

- Exploration and pre-development expenditure in Indonesia during the quarter totalled A\$4,839,000.

CIBALIUNG GOLD PROJECT – INDONESIA (85.73%)

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 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 30 June 2005 stood at 85.73%.

Permitting

During the quarter the Bupati of Pendeglang has granted a Mining Authorisation (KP) for the Cibaliung Gold Project. Similar to a Mining Lease, the Company has now successfully secured all necessary environmental and mining approvals.

In addition the Company has now been granted the necessary Izin Lokasi (site location permit).

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 exploration activities in Indonesia. The Placement was completed during the quarter following approval by shareholders at a meeting on 25 July.

Shareholders were also offered the opportunity to participate in an underwritten Share Purchase Plan ("SPP"). The Company received applications for 52,809,479 shares from 502 shareholders representing 72.8% of the funds sought by the Company under the SPP. The SPP was capped to limit the number of shares that may be issued to 72,545,750 and was underwritten by Austock Corporate Finance Limited who procured subscriptions for a further 19,736,271 shares taking the total funds raised under the SPP to \$2,611,647.

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 well placed to fund the development of the Cibaliung Gold Project.

The project financing to be provided by ANZ Investment Bank is expected to be drawn down not later than January 2006. Loan and security documentation are presently being finalised with the bank and PT Antam Tbk as the Company's joint venture partner.

Personnel

The Company has made key appointments to develop an experienced executive management and project delivery team.

In Melbourne, Mr. Stephen Williams has been appointed as General Manager Projects. Stephen has an extensive background in mining and project management and has previously worked in Indonesia on mining projects.

In addition Mr. Tony Nadalin has been appointed as Financial Controller based in Melbourne. Tony has extensive public company experience as a financial controller.

In Indonesia, the Company has employed a full time Project Site Manager – Mr. Stewart Maxworthy. Stewart has extensive senior level experience in project and construction management in Indonesia.

In addition, Mr. Terry Couch has been appointed as a full time Decline Manager based on site at Cibaliung. Terry has 25 years experience in tunnelling and mining projects.

Gold Plant Purchase

The company completed the acquisition of the gold processing plant (see Figures 1 & 2 below) located at the Mount Olympus Mine near Paraburdoo WA from Sipa Exploration NL for a purchase price of A\$2.575 million after an independent inspection confirmed it is in excellent condition.

The acquisition of this plant provides the Company with a higher degree of certainty in terms timing and cost of deliverability for the development of the project, as delays in the delivery of new equipment are resulting in longer construction lead times for many other projects. The purchase includes a significant inventory of ancillary equipment and spare parts.

The plant was originally designed and built at Lynas Find in 1994 by Signet Engineering Pty Ltd for Lynas Gold NL. In 1998 it was relocated to the Mt Olympus site where it operated until milling ceased in March 2004.

The plant has a throughput capacity of 600,000 tonnes per annum but will be re-configured for lower throughput and longer leach time to suit the Cibaliung project given the harder ore, higher gold grades and higher silver content at Cibaliung.

Engineering work associated with the dismantling, transportation, re-erection and modifications (including the addition of an elution circuit, detox unit, gold room and backfill plant) have commenced and are on schedule.



Figure 1 – The Mount Olympus Gold Processing Plant purchased by the Company showing the ball mill prior to relocation to Indonesia



Figure 2 – The Mount Olympus Gold Processing Plant purchased by the Company showing tanks and mill liners.

Project Development

Initial Commercial Agreement signed with Aker Kvaerner to carry out contract engineering work.

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

Cibaliung Exploration

Four diamond core drill holes were completed during the quarter at Cibaliung;

Hole ID	Prospect	Collar (UTM)			Incl/ Az °/N...E	Depth (m)	Cum. Depth (m)
		Northing	Easting	RL (m)			
AC-105A	West Cibitung	9253429.28	570076.81	1167.23	-45/210	402.10	402.10
AC-106	West Cibitung	9253474.58	570103.55	1166.62	-45/210	127.80	529.90
AC-107	Bambu	9253556.55	570340.46	1164.00	-45/065/	199.40	729.30
AC-108	Bambu	9253477.86	570633.92	1161.19	-45/245	200.20	929.50

Several gold anomalous zones were intersected in the drill holes targeting the West Cibitung prospect (AC-105A and AC-106). AC-105A intersected 4.7m @1.31 g/t Au, including 1.5m@3.03 g/t Au. AC-106 which targeted deeper extensions of the mineralised zone at West Cibitung intercepted only a narrow shear zone. Preliminary interpretation of these results suggests that the mineralisation encountered in AC-105A may have originated from more lateral sources.

Two holes defined by IP, ground magnetics, MMI anomalies and alteration (illite-smectite-pyrite) data were drilled in Bambu (AC-107 and AC-108) located 200m east of Cibitung. These two holes

intersected shear zone structures (reflected by IP and ground magnetic anomalies) but with no significant mineralisation. It is postulated that the MMI anomalies at surface may have originated from quartz veinlets in the alteration (illite-smectite-pyrite) envelopes.

Expenditure

Expenditure in relation to the development of the Cibaliung Gold Project totalled A\$4,621,000.

CORPORATE

Following completion of the equity raising associated with the development of the Cibaliung Gold Project, Mr. Pieter Greeff tendered his resignation as a Director of the Company. The Board again wishes to confirm its appreciation for Pieter's contribution to the Company's progress over the last 4 years. Pieter continues as a director of Alexander Resources Limited in which Austindo maintains a 44% interest.

Mr. Bruce Watson was appointed as Chairman of the Board during the quarter. Bruce has extensive corporate and commercial experience and a commercial insight derived from his diverse and comprehensive background across the Australian banking and investment community and his high level of technical capability within the core areas of legal and financial structuring. The Board considers these skills to be invaluable as the Company proceeds to development of the Cibaliung Gold Project and continues its growth strategy in Indonesia.

PROJECT GENERATION – INDONESIA

Pekalongan

Stream sediment sampling, rock chip sampling and regional geological mapping were undertaken at Pekalongan during the quarter. Assay results have not been collated as at the date of this report.

Papua

The company has made application for a new exploration tenement in Papua pursuant to its alliance with PT Minorco Services Indonesia of the Anglo American Group to explore for large porphyry copper gold deposits.

Expenditure on exploration and evaluation (including Cibaliung) in Indonesia totalled A\$218,000 during the quarter.



Ian Price
Managing Director & CEO
28 October 2005

The information in this report that relates to Exploration Results is based on information compiled by Mr Sukmandaru Prihatmoko, who is a Member of the Australasian Institute of Mining and Metallurgy.

Mr Prihatmoko is a full-time employee of PT. Indonusa Mining Services, a wholly owned subsidiary of the Company.

He has sufficient experience which is relevant to the style of mineralization and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Prihatmoko consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

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.