

Austindo Resources Corporation NL

September 2007 Quarter Activities Report

ABOUT AUSTINDO

Formed in 1983, Austindo Resources Corporation NL (**ASX Code: ARX**) is an Australian listed gold company focused 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. Cibaliung is expected to produce at an annual rate of 70,000 oz (gold equivalent).

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. In addition the Company has a 95% joint venture interest with PT Sumber Mineral Nusantara in the Pekalongan and Trenggalek tenements located in Central and East Java respectively, areas prospective for low sulphidation epithermal gold/silver deposits similar to the Cibaliung project.

Austindo Resources Corporation NL
ABN 48 002 678 640
Level 8, North Tower
459 Collins Street
Melbourne VIC 3000
AUSTRALIA

Tel: + 61 3 0620 3110
Email: info@arx.net.au

www.austindoresources.com.au

Cibaliung Gold Project – Indonesia

- Total decline development to date has advanced to over 450 metres. Stockpiling of ore is expected to commence in late 2007;
- Construction of the gold processing plant remains 80% complete. PT Petrosea has confirmed its commitment to complete the construction work which is expected to recommence in December 2007 ;
- Major works on site remained on hold throughout the quarter in order to conserve cash;
- The Company initiated a Placement and a partly underwritten Rights Issue to together raise up to A\$20.9m to substantially advance the Company towards first gold production.

Project Generation – Indonesia

- Permitting was completed for the Trenggalek Project to undertake detailed exploration in the forestry production areas, which cover the greater part of the main prospects identified to-date. Further high-grade gold results were returned from grab samples of a new vein-float;

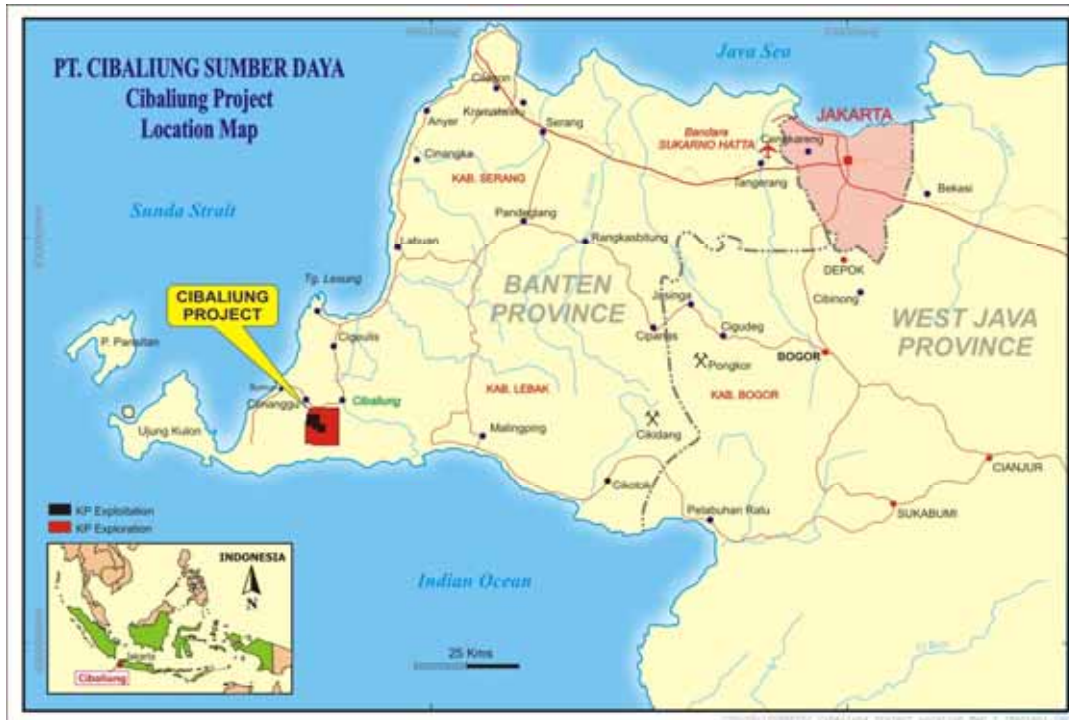
Expenditure

- Total exploration and development expenditure in Indonesia during the quarter amounted to A\$3.2 million.

CIBALIUNG GOLD PROJECT – INDONESIA (89.75% as at 31 Dec 2005)

The Cibaliung Gold Project is operated by PT. Cibaliung Sumberdaya, a joint venture company established between the Company and PT. Antam Tbk (“Antam”).

Cibaliung is located in Banten Province near the western tip of the island of Java, 150km south west of Jakarta. The Company’s interest in the Cibaliung Project as at 31 December 2005 stood at 89.75%.



Key development and production parameters for the Cibaliung Gold Project are:

- Two shoot epithermal vein-gold deposit;
- Logistically well located within a 4 hour drive from Jakarta;
- Mine life of 6 years with a production rate of 220,000 tonnes per annum with recovery of gold and silver by a conventional CIL processing plant;
- Mining by conventional underground cut and fill stoping with decline access;
- Annual production of approximately 70,000 ozs gold equivalent;

Site Development and Erection of Gold Processing Plant

As previously advised, all major works on site remained on hold during the quarter in order to conserve cash while funding arrangements were being finalised. The status of the gold processing plant remains substantially unchanged and at the date of this report the status of the project development is summarised as follows:

- Site access roads and bridges have been essentially completed;
- Re-erection of the gold processing plant on site has been 80% completed;
- Installation of CIL tanks and Thickener Tank are 90% complete;
- Installation of the Cyanide mixing is 80% complete;
- SAG Mill installation has commenced and bearing plates have been installed;
- Foundations for the crusher are 80% complete;

- All Generating Sets for the Power Plant have been installed in preparation for commissioning and connection;
- Elution Circuit and Gold Room Plant are currently all on site ready for installation;
- Tailings Dam construction survey and earthworks have commenced;
- Process Plant care and maintenance activity has continued.

Project development has recommenced following the success of the Company's recent Rights Issue.

Purchase orders for important mining equipment, a new haul truck, a loader and an agitator were completed during the quarter. A LHD loader, the agitator truck and two new jumbo drills are expected to be delivered to site by the end of this year. It is anticipated that two haul trucks and a further LHD loader will be delivered to site in late January 2008.

Decline Development

The Company's own trained mining personnel have continued with the development of the new decline adopting a support regime including roof bolts, mesh and fibrecrete. Total decline development exceeded 450 metres (including muck bays and other underground development). At the date of this report a further 168 metres of decline development was required to first access of the ore body. Stock piling of ore is expected to commence in late 2007.

The Redpath Group of Canada is in the process of being engaged to provide further experienced supervisors for the development of the decline and associated ventilation shafts. Redpath has extensive in-country experience in underground gold mining and development. It is anticipated that Redpath personnel will commence work on site in December 2007.

Expenditure

Expenditure in relation to development of the Cibaliung Gold Project totalled A\$2.96 million during the quarter.

Cibaliung Exploration

No exploration work was undertaken during the quarter. The exploration team provided technical support to the mine decline development. This work included underground geological mapping. Proposals were completed for stope-definition drilling and near-mine exploration drilling, which are planned to be done in the next quarter and during 2008.

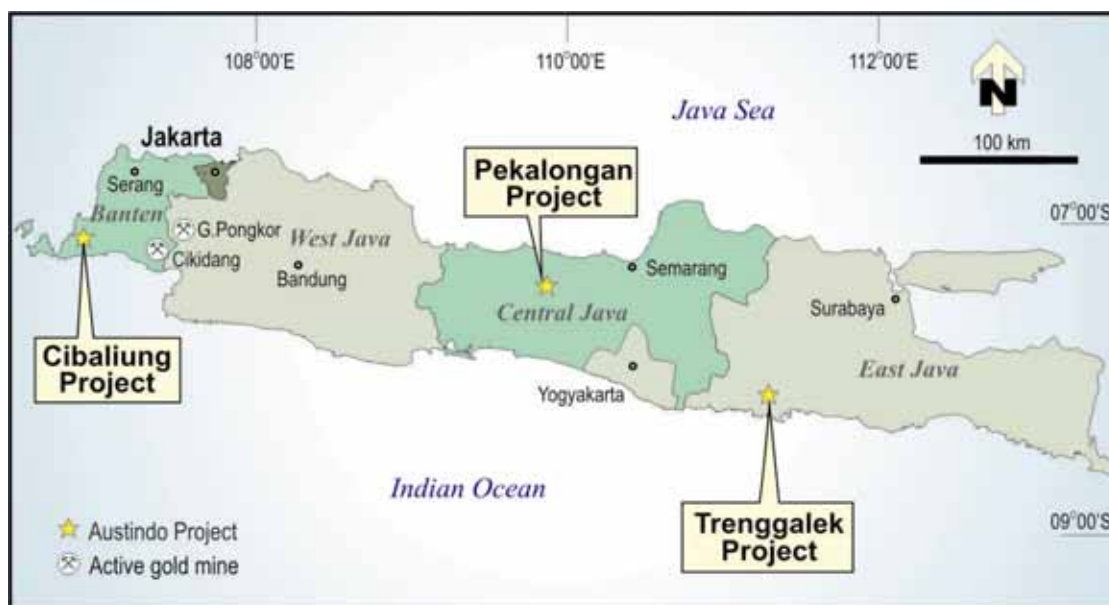
Expenditure

Expenditure in relation to Cibaliung Exploration totalled A\$ 59,000.

PROJECT GENERATION – INDONESIA

Java

Total Expenditure for exploration completed on the Trenggalek and Pekalongan projects totalled A\$ 136,000 during the quarter.



Trenggalek Project, East Java (ARX – 95%)

The Trenggalek KP exploration area in East Java covers 17,586 ha.

Mapping and prospecting activities were continued on the northern part of this tenement during the quarter. Permitting was completed to undertake detailed exploration in the forestry production areas, which cover the greater part of the main prospects identified to-date. Further high-grade gold results were returned from grab samples of new vein-float found on the Jati, Jombok and Salak prospects.

Of particular interest is a cluster of three 15-30 cm angular vein-float samples taken from a single tributary of a newly explored drainage area located about 1 km southwest of the Jombok Prospect. Gold results from these samples range from 7.8 to 17 g/t Au with corresponding silver results ranging from 3 to 7 g/t Ag. The source of this high-grade float is currently unknown, but it may lie on the north-northwest strike projection of one of the veins comprising a vein swarm at the Kojan Prospect. This new prospect has been named Salak and will be followed up with detailed prospecting and mapping.

More high-grade vein-float was also found on the Jombok Prospect. Four samples returned gold results ranging from 7 to 46.5 g/t Au and silver results ranging from 3 to 13 g/t Ag. Detailed mapping and limited test-pitting completed during the quarter have helped to delineate a number of large mass-flow deposits (old landslides) located on the lower ridges of the prospect and these appear to be shedding the mineralised float boulders. Further mapping is in progress to identify the primary source of the high-grade vein-float, which may be exposed or buried at the crown of the mass-flows.

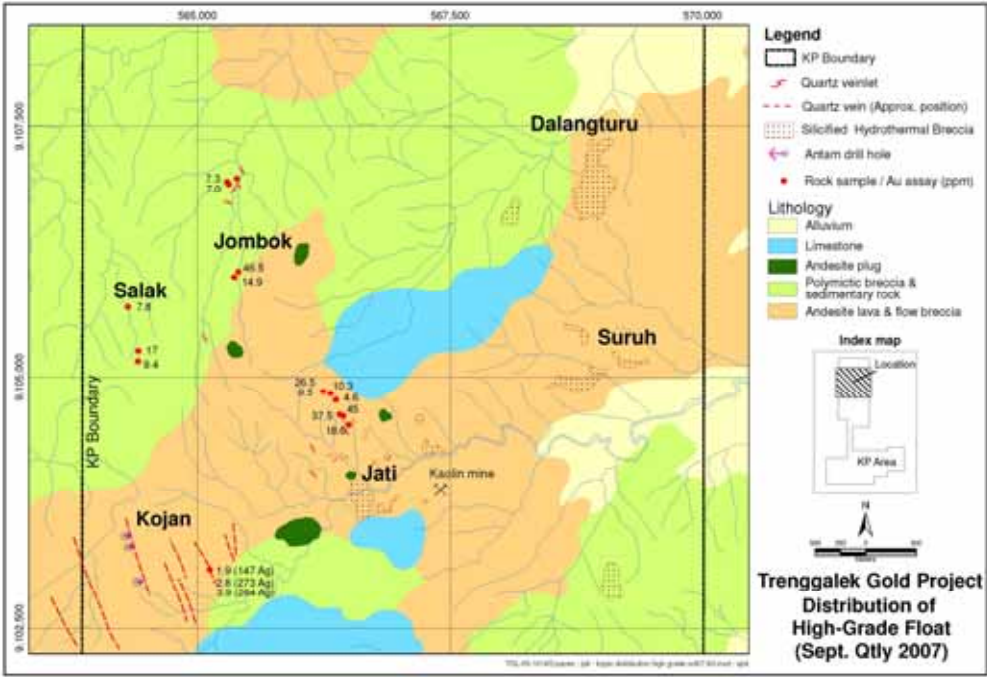
Six 15-30 cm angular vein-float samples taken on the Jati Prospect returned gold results ranging from 9.5 to 45 g/t Au and silver results ranging from 3 to 12 g/t Ag. The float is distributed over about 500 m along a north-northwest trending ridgeline containing patchy

outcrops of silicified volcaniclastic rock containing diffuse quartz vein-stockwork. The source of the high-grade float is thought to be within this immediate area and will be further investigated by soil sampling, test-pitting and trenching.

Hydrothermal breccias were investigated at the Suruh Prospect, located about 1.5 km south of Dalangturu Prospect and 1.5 km northeast of the Jati Prospect. Mapping has highlighted variably sulphidic and silicified breccia boulders and outcrops on low ridges occupying about a 1 km² area. Ten selective chip samples were taken of the breccia and these returned up to 0.59 g/t Au, 497 ppm As, 25 ppm Sb and 0.6 ppm Hg. This strong geochemical response in silicified breccia may be an expression of the upper levels of a deeper mineralised epithermal vein system. The prospect will be further evaluated by soil geochemical sampling to better define the pattern of gold and pathfinder metal anomalies over the breccias.

Three chip samples taken from a 120 to 150 cm wide banded quartz vein exposed on the eastern side of the Kojan Prospect returned low gold results ranging from 1.9 to 3.9 g/t Au but high silver results ranging from 147 to 273 g/t Ag. These results, combined with other results reported previously on this prospect, are encouraging because they demonstrate the presence of significant gold and silver grades in at least four of the veins occurring on this prospect. Only one of these veins has been previously drill tested. Detailed trenching is planned on this multiple vein target prior to scout diamond drilling.

Distribution of best gold results (in g/t) from grab sampling of vein float & outcrops found in the northern part of the Trenggalek tenement during the quarter



Pekalongan Project, Central Java (ARX – 95%)

The Pekalongan KP exploration area in Central Java covers 5,618 ha.

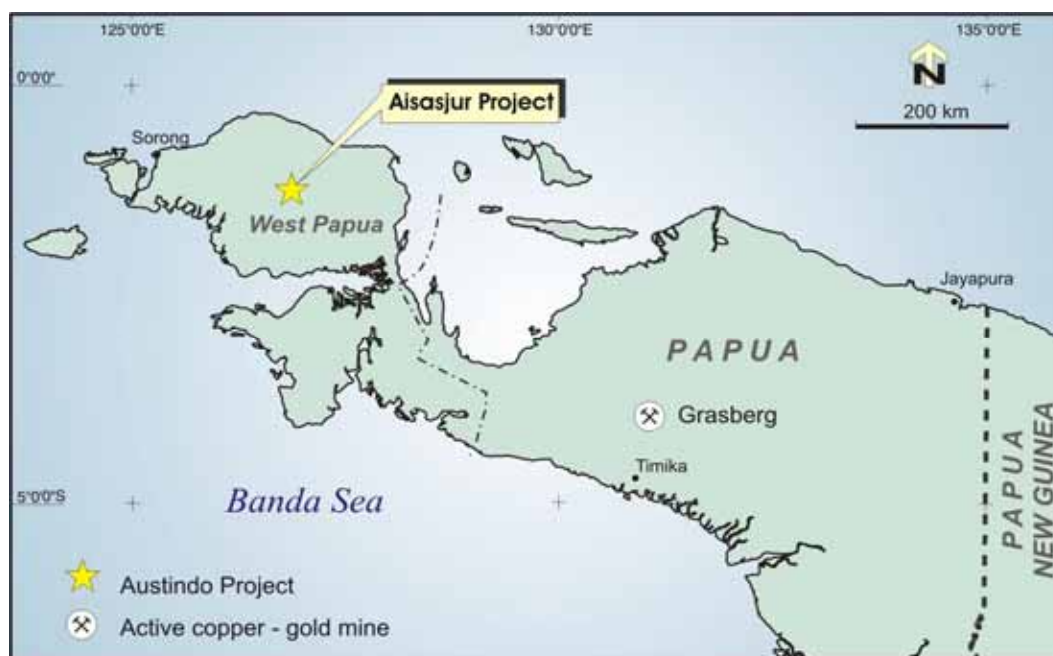
Field work continued at a significantly reduced level during the quarter due to the shift of work priorities to other projects. Permitting is in progress for access to forestry production areas located within and surrounding the main prospect areas. The completion of this process is particularly important for on-going evaluations on the main gold prospects at Kuning and Mudal.

The presence of mineralised float boulders of andesite and diorite assaying up to 0.46 g/t Au, 472 ppm Cu and 1160 ppm As was previously reported at the Ireng Prospect located on the western side of the KP. A stream sediment geochemical survey was completed here during the quarter to define the distribution of gold, copper and arsenic anomalies in the prospect area. However, generally low gold, copper and arsenic results received from this survey have failed to upgrade the potential of this prospect for porphyry-related gold-copper mineralisation.

Papua

Aisasjur Project - Anglo Strategic Alliance (ARX – 20%)

The Company has a strategic alliance with the Anglo American Group (Anglo) to explore for large copper and gold deposits in Papua. The Company has a 20% joint venture interest in the Aisasjur Project while Anglo has the obligation to fund all exploration activities pursuant to the terms of the strategic alliance.



The Aisasjur KP tenement in the Kepala Burung area of West Papua Province covers 9,486 ha. Geologically, the project area lies within one of Indonesia's young volcano-plutonic arcs and is prospective for large porphyry copper-gold and epithermal gold-silver deposits. Mineralised intrusive rocks intersected in drilling by Anglo earlier in the year show a similarity in age, geological setting and geochemistry to the Grasberg Igneous Complex, located about 500 km to the east-southeast along the New Guinea Fold Belt.

No new work was undertaken during the quarter. Further field activity is pending the issuing of a new forestry access permit.

The information in this report that relates to Exploration Results is based on information compiled by Mr. Brad Wake, who is a member of the Australian Institute of Geoscientists. Mr. Wake 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 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves.' Mr. Wake consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.

FUNDING STRATEGY

The Company successfully raised \$17,657,276.34 from its Rights Issue which closed on Thursday 25 October 2007.

The Rights Issue was well supported with over one third of all shareholders participating demonstrating strong support for the Company's strategy for the continued development of the Cibaliung Gold Project.

Together with the Placement effected on 24 September 2007 the Company has raised gross proceeds of A\$19.9m which is expected to be sufficient to substantially advance the Company towards first gold production from the Cibaliung Gold Project in Indonesia.

This capital raising is part of a continuing strategy to provide a strong financial base for ARX. As stated in the Rights Issue Prospectus, the Company will require further funding to complete the development of the Cibaliung Gold Project, produce positive cash flow and to fund further project and regional exploration. Following the success of the Rights Issue the Board will at an appropriate time in 2008 consider a further equity raising to complete its funding requirements.

This report is dated 31 October 2007. For further information please contact:

Bruce Watson

Chairman

Tel: + 61 2 9236 7566

Email: bwatson@cubecorp.com.au

Andrew J. Cooke

Company Secretary

Tel: + 61 2 9419 8044

Email: andrewcooke@arx.net.au