



# Austindo Resources Corporation N.L.

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## **CIBALIUNG GOLD PROJECT - BANKABLE FEASIBILITY STUDY COMPLETED AND ACCEPTED BY JOINT VENTURE PARTNERS**

**Austindo Resources Corporation NL (“ARX”) is pleased to announce the completion and acceptance by the Joint Venture of the Bankable Feasibility Study (“BFS”) for the Cibaliung Gold Project.**

The Project is located in the Province of Banten in west Java, Indonesia and is operated through a joint venture company – PT Cibaliung Sumberdaya (“CSD”) in which ARX is entitled to an 83.76% interest as at 30 June 2004 and PT Antam Tbk (“Antam”) retains a 16.24% interest.

Subject to financing and regulatory approvals being completed, construction could start in the first half of 2005 with first gold production in early 2006.

Key findings of the BFS are:

- 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 will be by conventional underground cut and fill stoping with decline access.
- Annual production of approximately 70,000 ozs gold equivalent based on Mineable Reserves and resources of 467,000 equivalent ounces of gold;
- Initial capital expenditure of some US\$ 34 million;
- Average life of mine cash operating costs of less than US\$200/oz.

**The project has been designed with the potential for expansion since exploration, which has continued throughout the course of the Feasibility Study, has identified several priority targets that may form new economic shoots and lead to an increase in the project’s resources. The discovery of a new shoot could lead to an expansion in annual production to about 100,000 ounces. A new phase of diamond drilling will commence in September 2004 to test these targets.**

The environmental approvals process is well advanced, having been progressed in parallel with the Feasibility Study.

Two banking groups have been identified as possible providers of the debt component of the project’s financing. These banking groups have now commenced their due diligence and it is proposed to provide a mandate to one of these groups as soon as practicable. Prime Corporate Finance Pty Ltd has been appointed to provide financial advisory services to the Joint Venture. The most appropriate mix of debt and equity funding for the development of this project will be determined in this process.

Whilst the project financing and regulatory approvals are ongoing, a number of pre-implementation aspects of the project will be carried out to enable construction to be started as soon as project financing is in place. At this stage it is anticipated that the project financing will be finalised by early 2005. The pre-implementation work will include the preparation of design packages to tender the construction of the processing plant, surface infrastructure and development of the underground mine.

Mineable Reserves and Resources for the project are set out in the following table:

Mining Reserves	Ore Tonnage (t)	Gold Grade (g/t Au)	Silver Grade (g/t Ag)	Gold Equivalent Grade (g/t Au eq)	Gold Ounces (Oz Au)	Silver Ounces (Oz Ag)	Gold Equivalent Ounces (Oz Au eq)
<b>Total Proven Reserve</b>	511	11.4	82	12.4	188	1,347	204
<b>Total Probable Reserve</b>	592	8.8	84	9.9	167	1,604	188
<b>Total Inferred Resource with mining factors applied</b>	285	7.5	67	8.3	68	609	76
<b>Total</b>	1,388	9.5	80	10.5	423	3,560	467

Notes:

1. Tonnes and ounces in thousands.
2. Discrepancies in addition are due to rounding.
3. Reserves based on the Geological Resource estimate prepared and signed off by Mr Dean Carville of AMC based on ordinary kriging estimate with a top cut applied.
4. Based on mining via mechanized and hand held cut and fill method.
5. Tonnages and grade values include mining dilution at zero grade gold and silver with an effective recovery of 80% of Crown Pillars.
6. Mining constraints and economic factors have been applied.
7. No metallurgical factors have been applied.

Mineable reserves and inferred resources for the project's production plan are based upon resources estimated by Mr Dean Carville who is a full-time employee of AMC Consultants Pty Limited and a Member of the Australasian Institute of Mining and Metallurgy. The Mineable Reserves is based on information compiled by Stephen Williams who is a full-time employee of Dorian Welles Pty Ltd and a Member of the Australasian Institute of Mining and Metallurgy. Mr Carville and Mr Williams each have sufficient experience which is relevant to the type of deposit and the method of mining under consideration and to the activity which they have respectively undertaken to qualify as a Competent Person as defined in the 1999 Edition of the "Australasian Code for Reporting of Mineral Resources and Ore Reserves."

Exploration will also continue at the site and ARX is pleased to advise that its Joint Venture partner, Antam, has indicated that it intends to participate in the funding of the joint venture expenditure budget for the second half of 2004. Antam's exploration unit, Geomin, will provide drilling crews and geologists to carry out this next important stage of exploration. This commitment by Antam reflects their confidence in the Cibaliung Gold Project and their high regard for its exploration potential.

**The Company believes that, with the support of its partners and regulatory authorities in Indonesia, the Cibaliung Gold Project will be the next new gold mine to commence operations in Indonesia and the first new major investment in this sector for many years - confirming a significantly improved operating and investing environment in Indonesia. In this context the Company is also pursuing new acquisitions in Indonesia which it expects to be in a position to report on in the near future.**

Further project details and information regarding the development of the Cibaliung Gold Project will be released as development milestones are achieved.

Yours sincerely

**Ian L. Price**  
**Managing Director**  
**31 August 2004**

