

**ASF GROUP LIMITED****ABN 50 008 924 570**

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The Manager
Company Announcements
Australian Stock Exchange
20 Bridge Street
Sydney 2000
Via: www.asx.online.com

QUARTERLY APPENDIX 4C AND ACTIVITIES REPORT

ASF Group Limited (**ASX Code AFA**) is pleased to release its Appendix 4C for the quarter ending 30 June 2008.

The Company also reports on the exploration activities of its wholly owned subsidiary, ASF Resources Pty Limited.

Western Australia

During the quarter, a detailed program of geological mapping was undertaken by two geologists on the Company's tenements in the Canning Basin locating also the sites of historical drilling for coal and petroleum. A detailed review and report was made of the results of this previous exploration work.

The Company is encouraged by the potential for coal occurrences in relatively shallow seams on its tenements and by the results that have been reported to date by ASX listed company, Rey Resources Limited, from its current drilling program on its nearby Canning Basin tenements.

The Company is currently preparing a program of field work for the current and next quarters.

Tasmania

During the quarter, ASF Resources Pty Limited was granted another exploration licence, EL 55/2007, covering 149 sq kilometers in the vicinity of Wilmot in north western Tasmania. Portions of this licence area have been previously held and explored by major exploration groups

During the quarter, the Company's consulting geologist undertook a detailed review of all historical exploration work on and around the Company's three Tasmanian exploration licence areas to provide the basis for developing active exploration programs for base metals on these properties.

The Company is currently in discussion with potential joint ventures partners from China to carry out these exploration programs. No agreement has yet been entered into.

Direct exploration expenditure during this quarter was \$107,225

Tony Teng
Company Secretary

Appendix 4C

Quarterly report for entities admitted on the basis of commitments

Introduced 31/3/2000. Amended 30/9/2001, 24/10/2005.

Name of entity

ASF Group Limited

ABN

50 008 924 570

Quarter ended ("current quarter")

30 June 2008

Consolidated statement of cash flows

Cash flows related to operating activities		Current quarter \$	Year to date (12 months) \$
1.1	Receipts from customers	359,942	497,870
1.2	Payments for (a) staff costs	(292,733)	(1,207,893)
	(b) advertising and	(52,198)	(178,022)
	marketing		
	(c) research and		
	development	-	-
	(d) leased assets	-	-
	(e) other working capital	(489,535)	(1,658,655)
1.3	Dividends received	-	-
1.4	Interest and other items of a similar nature received	10,605	54,080
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Other (Extraordinary item refund of fee net of GST refund)	6,175	(92,392)
Net operating cash flows		(457,744)	(2,585,012)

+ See chapter 19 for defined terms.

Appendix 4C
Quarterly report for entities
admitted on the basis of commitments

	Current quarter \$	Year to date (12 months) \$
1.8 Net operating cash flows (carried forward)	(457,744)	(2,585,012)
Cash flows related to investing activities		
1.9 Payment for acquisition of:		
(a) businesses (item 5)	-	-
(b) equity investments	(79,143)	(192,413)
(c) intellectual property	-	-
(d) physical non-current assets	-	-
(e) other non-current assets	(107,225)	(238,694)
1.10 Proceeds from disposal of:		
(a) businesses (item 5)	-	-
(b) equity investments	-	-
(c) intellectual property	-	-
(d) physical non-current assets	-	-
(e) other non-current assets	-	-
1.11 Loans to other entities	(75,126)	(231,632)
1.12 Loans repaid by other entities	-	-
1.13 Other (provide details if material)	(13,605)	(47,399)
Net investing cash flows	(275,099)	(710,138)
1.14 Total operating and investing cash flows	(732,843)	(3,295,150)
Cash flows related to financing activities		
1.15 Proceeds from issues of shares, options, etc.	200,000	2,958,539
1.16 Proceeds from sale of forfeited shares	-	-
1.17 Proceeds from borrowings	-	-
1.18 Repayment of borrowings	-	-
1.19 Dividends paid	-	-
1.20 Other (provide details if material)	-	-
Net financing cash flows	200,000	2,958,539
Net increase (decrease) in cash held	(532,843)	(336,610)
1.21 Cash at beginning of quarter/year to date	1,355,454	1,158,295
1.22 Exchange rate adjustments to item 1.20	-	926
1.23 Cash at end of quarter	822,611	822,611

+ See chapter 19 for defined terms.

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 \$
1.24	Aggregate amount of payments to the parties included in item 1.2	(55,556)
1.25	Aggregate amount of loans to the parties included in item 1.11	-
1.26	Explanation necessary for an understanding of the transactions 	

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

n/a

- 2.2 Details of outlays made by other entities to establish or increase their share in businesses in which the reporting entity has an interest

n/a

Financing facilities available

Add notes as necessary for an understanding of the position. (See AASB 1026 paragraph 12.2).

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

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Appendix 4C
Quarterly report for entities
admitted on the basis of commitments

Reconciliation of cash

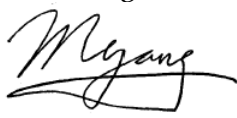
Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.		Current quarter \$	Previous quarter \$
4.1	Cash on hand and at bank	822,611	1,355,454
4.2	Deposits at call	-	-
4.3	Bank overdraft	-	-
4.4	Other (provide details)	-	-
Total: cash at end of quarter (item 1.23)		822,611	822,611

Acquisitions and disposals of business entities

		Acquisitions (Item 1.9(a))	Disposals (Item 1.10(a))
5.1	Name of entity	n/a	n/a
5.2	Place of incorporation or registration	n/a	n/a
5.3	Consideration for acquisition or disposal	n/a	n/a
5.4	Total net assets	n/a	n/a
5.5	Nature of business	n/a	n/a

Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act (except to the extent that information is not required because of note 2) or other standards acceptable to ASX.
- 2 This statement does give a true and fair view of the matters disclosed.

Sign here: 
 (Director)

Date: 31/07/2008

Print name: Min Yang

+ See chapter 19 for defined terms.

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 definitions in, and provisions of, *AASB 1026: Statement of Cash Flows* apply to this report except for the paragraphs of the Standard set out below.
 - 6.2 - reconciliation of cash flows arising from operating activities to operating profit or loss
 - 9.2 - itemised disclosure relating to acquisitions
 - 9.4 - itemised disclosure relating to disposals
 - 12.1(a) - policy for classification of cash items
 - 12.3 - disclosure of restrictions on use of cash
 - 13.1 - comparative information
3. **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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