



ASF GROUP LIMITED

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10 June 2011

The Manager
Company Announcements
Australian Stock Exchange Ltd
20 Bridge Street
Sydney 2000
via: www.asxonline.com

Dear Madam/Sir

ASF RECEIVES \$1.8M FOR EQUITY INTEREST IN ASF RESOURCES

ASF Group Limited ("**ASF**") is pleased to announce that, pursuant to a new agreement signed with Yongbin International Holdings Limited ("**Yongbin**"), Yongbin has now paid \$1.8 Million to ASF for a beneficial 11% interest in ASF Resources Limited ("**ASFR**"). Previously, ASF announced on 5 May 2011 the termination of a Share Subscription Agreement with Yongbin and the forfeiture of a non refundable deposit of \$1.5 Million paid to ASF by Yongbin.

ASFR holds a number of well-located mineral exploration tenements in the South Ellendale area of the Canning Basin in Western Australia, the closest Australian coal-rich basin to Chinese and North Asian markets. These tenements comprise ten Exploration Licenses over an area of approximately 2,000 sq. km and are considered to be highly prospective for thermal coal and diamonds.

ASF's resources strategy is first to assemble a portfolio of prospective mineral exploration projects in Australia, especially in coal and metals such as gold, iron ore and tin, and then to partner and co-invest with major Chinese mining and other groups in the development of mining projects which have export potential.

Ms Min Yang, Chairman of ASF, said *"ASF is delighted to have been able to negotiate the current transaction with Yongbin and looks forward to Yongbin's active involvement in the development of ASFR's mineral exploration projects, as ASF seeks further to enhance ASFR's value by bringing in expertise, investment and end-buyers by way of its connections in China."*

For further information please contact Justin Clarke, Development and Operations Director (Ph: 612 9251 9088).

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