Rule 4.7B

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	Quarter ended ("current quarter")
50 008 924 570	30 September 2012

Consolidated statement of cash flows

	Cash flows related to operating activities	Current quarter $	Year to date (3 months) $
1.1	Receipts from customers	530,883	530,883
1.2	Payments for (a) staff costs	(484,622)	(484,622)
	(b) advertising and marketing	(450)	(450)
	(c) research and development	-	-
	(d) leased assets	-	-
	(e) other working capital	(321,723)	(321,723)
1.3	Dividends received	-	-
1.4	Interest and other items of a similar nature received	47,129	47,129
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Other - GST refunded/(paid)	26,876	26,876
	Net operating cash flows	(201,907)	(201,907)

+ See chapter 19 for defined terms.

		Current quarter $	Year to date (3 months) $
1.8	Net operating cash flows (carried forward)	(201,907)	(201,907)
	Cash flows related to investing activities		
1.9	Payment for acquisition of:		
	(a) businesses (item 5)	-	-
	(b) equity investments	(10,800,000)	(10,800,000)
	(c) intellectual property	-	-
	(d) physical non-current assets	(13,569)	(13,569)
	(e) other non-current assets	(9,580)	(9,580)
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	(28,117)	(28,117)
1.12	Loans repaid by other entities	29,403	29,403
1.13	Other	(1,469)	(1,469)
	Net investing cash flows	(10,823,332)	(10,823,332)
1.14	**Total operating and investing cash flows**	(11,025,239)	(11,025,239)
	Cash flows related to financing activities		
1.15	Proceeds from issues of shares, options, etc.	-	-
1.16	Proceeds from sale of forfeited shares	-	-
1.17	Proceeds from borrowings	7,000,000	7,000,000
1.18	Repayment of borrowings	-	-
1.19	Dividends paid	-	-
1.20	Other - security term deposit	-	-
	- shares buy-back	(161,810)	(161,810)
	Net financing cash flows	6,838,190	6,838,190
	Net increase (decrease) in cash held	(4,187,049)	(4,187,049)
1.21	Cash at beginning of quarter/year to date	6,302,558	6,302,558
1.22	Adjustments - Exchange rate adjustments	-	-
1.23	**Cash at end of quarter**	2,115,509	2,115,509

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	(129,358)
1.25	Aggregate amount of loans to the parties included in item 1.11	-

1.26 Explanation necessary for an understanding of the transactions

Consulting and directors fees ($58,110), Office lease ($71,248)

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	-	-

+ See chapter 19 for defined terms.

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	2,115,509	2,115,509
4.2	Deposits at call	-	-
4.3	Bank overdraft	-	-
4.4	Other (provide details)	-	-
	Total: cash at end of quarter (item 1.23)	2,115,509	2,115,509

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: .... Date: 31 October 2012
Company Secretary

Print name: William Kuan

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.

+ See chapter 19 for defined terms.

Exploration Activities: Quarter ended 30 September 2012

ASF Resources Limited

The company, a partly owned associate of ASF Group, holds 7 tenements in the Canning Basin, W.A.

During the Quarter, a drilling program of 38 holes commenced across the Exploration Licenses; 1670, 1774, 1886 and 1887. The drilling that was completed showed signs of intersecting coal both at P1 and P2 seams at depths between 190m and 250m. Based on the initial work, further drilling will need to be completed in order to determine the seam thickness. No core drilling was able to be started.

Further assessment of the drilling results and historical results will take place during the next Quarter. Work Programs for 2013 have been lodged with the Kimberley Land Council for approval and the provisioning of clearance teams. The majority of drilling will be over Exploration Licenses: 1774 and 1886 and will commence in May 2013 (subject to the clearance being granted).

Funding for this work was from internal cash resources of ASF Resources Limited.

China Coal Resources Pty Limited

During the Quarter, China Coal Resources Pty Limited (a partly owned associate of ASF Group entity), carried out further soil sampling for base metals on the tenements EL55/2007 and EL15/2007. The soil sampling analysis results were positive and further trenching work will commence in October and November subject to Work Program Approval. The objective of the trenching is to assist in the identification of possible drill targets. Work during the quarter was funded by cash resources of China Coal.

ASF Metals Pty Limited

The company, a controlled entity of ASF Group, that holds tenement EL14/2007 on the West Coast of Tasmania.

During this Quarter no exploration work was completed.