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

Dear Sir/Madam

CMR - Cracow Metallurgical Coal Exploration Program Commences

ASF Group Limited ("**ASF**") is pleased to announce that Civil & Mining Resources Pty Ltd ("**CMR**") has commenced an exploration program on the Cracow Project, which comprises two tenements (EPC 2386 & EPC 2421) covering a total area of 370km² overlaying the eastern Bowen Basin near Moura and the Port of Gladstone.

A brief update report prepared by CMR is attached.

Information about CMR

In December 2013, ASF acquired a 68.205% stake in CMR, which is currently held by ASF Resources Limited, a 53.69% owned subsidiary of ASF.

CMR, trading as CMR Coal, is a coal exploration company incorporated in Queensland. The major assets of CMR comprise 26 Exploration Permits for Coal (EPCs), totaling 13,647km² of land throughout Queensland's major coal bearing basins and are situated in close proximity to operating mines, infrastructure and proven economic coal resources.

Information about ASF

ASF is unique among ASX-listed public companies in Australia as a creator and facilitator of two-way cross-border investments, trade and funds management between China and Australia. Since its transformation into a Sino-Australian investment and trading house in 2006, ASF has focused principally on the identification, incubation and realisation of opportunities across various industries including energy, resource, property, finance and tourism.

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CMR CRACOW METALLURGICAL COAL EXPLORATION PROGRAM TAKES OFF

CMR's Cracow Project comprises two EPC's (**2386 & 2421**), covering a total area of 370km² overlaying the eastern Bowen Basin near Moura and the Port of Gladstone. The primary target for the Cracow Project is metallurgical coal in seams at shallow depths within the Back Creek Group (Buffel Formation), with an estimated exploration target between **40-60 Million tonnes (Mt)**.

CMR have begun the initial phases of their exploration program with a SkyTEM aerial geophysics survey over three prospective areas in the Cracow Project. The survey is designed to deliver rapid 3-dimensional insights into the geological, groundwater and weathering framework and optimise placements of 14 exploration boreholes that will define a potential shallow open-cut coking coal resource.

The key objectives of the geophysical survey, in addition to the highly detailed stratigraphic and structural mapping information that SkyTEM airborne EM provides, are to determine where possible, subcrop location and whether the coal is oxidised or not; and detailed lithological information, including faulting and folding, where present.

The acquisition was conducted over three days, 18-20 March 2014 with 150m line spacing over three of the target areas, a total of 330 line kilometres was flown. See *Image 2 below*.



Image 1. GroundProbe Crew setting up SkyTEM system

The survey was a successful program with nil injuries or incidents.

Acquisition of SkyTEM field data is complete and data processing and interpretation is in progress. The preliminary data is encouraging, indicating excellent penetration and also highlights structural features across the target areas. The raw data is currently being processed in Denmark with interpretation conducted by Mitre Geophysics and Rock Knowledge Services. Once CMR has received interpreted data in the coming weeks, the final borehole locations will be determined and drilling is mooted to commence in the first week of May 2014.

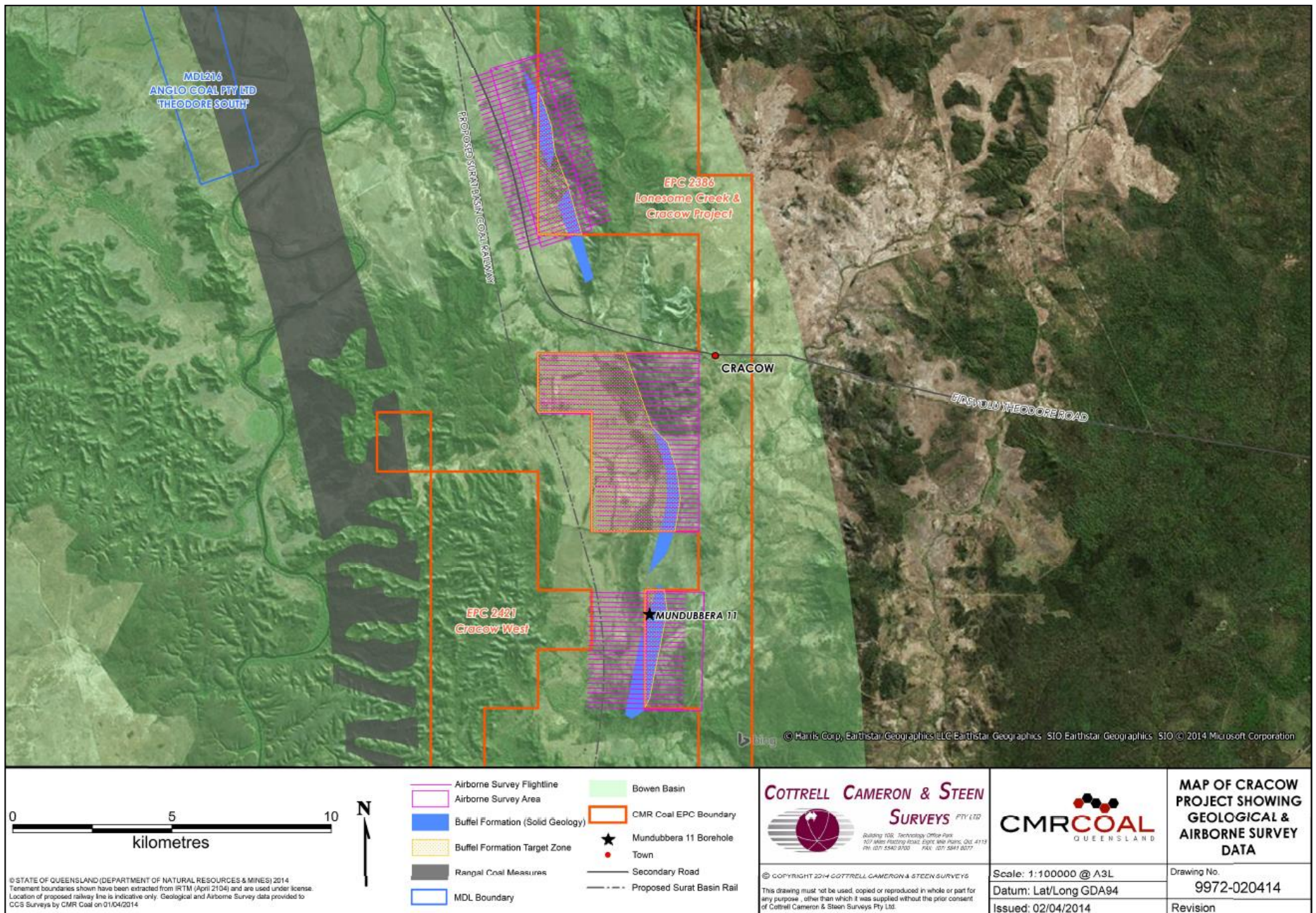


Image 2. Survey lines over target areas on CMR EPC 2386



Image 3. Helicopter-bourne SkyTEM flying CMR Cracow Project survey lines.

ABOUT CMR COAL

Civil & Mining Resources Pty Ltd, trading as CMR Coal (CMR) is a privately owned coal exploration company with 26 EPC's, totalling 13,647km² of land throughout Queensland's major coal bearing basins. CMR's tenements are situated in close proximity to operating mines, infrastructure and coal exploration areas that have the potential to yield economically viable coal deposits.

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DISCLAIMER

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All statements contained in this document as to exploration targets are conceptual in nature. There has been no exploration undertaken to date to and identification of a coal resource will require exploration.