



ASF GROUP LIMITED

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29 January 2009

APPENDIX 4C AND QUARTERLY ACTIVITIES REPORT

ASF Group Limited (ASX Code AFA) is pleased to release its Appendix 4C for the quarter ended 31 December 2008.

The Company also reports on the exploration activities of its wholly owned subsidiary, ASF Resources Pty Ltd (ASFR).

Western Australia (E04/1428, 1433-1436 and 1512)

During the quarter ASFR finalised the compilation of all currently available GIS data sets and commenced establishing an exploration strategy for the target commodity. A work proposal is near completion and will be submitted to the Kimberley Land Council and WA Department of Industry and Resources in the first quarter 2009. Also during the first quarter 2009 drill tenders will be sent to appropriate drilling companies. The initial field program will comprise up to 10,000m of mud rotary/diamond drilling and regional geological reconnaissance.

Discussions have continued with Taiwan Power who at this stage looks like being our joint venture partner for the commencement of the drilling program. In addition ASFR has held discussions with Derby Shire Council regarding the upgraded deep water port facility at Port Torment.

Tasmania (EL14 & 15/2007 and EL55/2007)

During the quarter ASFR finalised the compilation of all currently available GIS data sets and commenced establishing an exploration strategy for the target commodities. Exploration is planned to commence during the first quarter 2009 involving a further visit to the project areas by our potential joint venture partners.

Direct exploration expenditure during this quarter was \$64,683.00

A handwritten signature in black ink, appearing to read 'Min Yang', with a horizontal line drawn underneath it.

Min Yang
Director

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")

31 December 2008

Consolidated statement of cash flows

Cash flows related to operating activities		Current quarter \$	Year to date (6 months) \$
1.1	Receipts from customers	0	107,314
1.2	Payments for (a) staff costs	(117,809)	(306,189)
	(b) advertising and	(220,189)	(315,708)
	marketing		
	(c) research and		
	development	-	-
	(d) leased assets	-	-
	(e) other working capital	(1,016,480)	(1,290,316)
1.3	Dividends received	-	-
1.4	Interest and other items of a similar nature received	13,228	18,837
1.5	Interest and other costs of finance paid	(100,197)	(100,197)
1.6	Income taxes paid		
1.7	Other (GST refund)	38,613	43,278
Net operating cash flows		(1,402,835)	(1,842,981)

+ See chapter 19 for defined terms.

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

	Current quarter \$	Year to date (6 months) \$
1.8 Net operating cash flows (carried forward)	(1,402,835)	(1,842,981)
Cash flows related to investing activities		
1.9 Payment for acquisition of:		
(a) businesses (item 5)	-	-
(b) equity investments	-	-
(c) intellectual property	-	-
(d) physical non-current assets	(4,543)	(5,973)
(e) other non-current assets	(64,683)	(113,615)
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	-	-
1.12 Loans repaid by other entities	-	-
1.13 Other (provide details if material)	-	-
Net investing cash flows	(69,226)	(119,588)
1.14 Total operating and investing cash flows	(1,472,061)	(1,962,569)
Cash flows related to financing activities		
1.15 Proceeds from issues of shares, options, etc.	1,137,005	2,214,898
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 (Aus-Sino Investment Association Incorporated)	(65,000)	(65,000)
Net financing cash flows	1,072,005	2,149,898
Net increase (decrease) in cash held	(400,056)	187,329
1.21 Cash at beginning of quarter/year to date	1,409,996	822,611
1.22 Exchange rate adjustments to item 1.20	-	-
1.23 Cash at end of quarter	1,009,940	1,009,940

+ 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	(75,426)
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	-	-

+ 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	1,009,940	1,409,996
4.2	Deposits at call	-	-
4.3	Bank overdraft	-	-
4.4	Other (provide details)	-	-
Total: cash at end of quarter (item 1.23)		1,009,940	1,409,996

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: 29/01/2009

+ See chapter 19 for defined terms.

Print name: Min Yang

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.