



ANNOUNCEMENT TO THE AUSTRALIAN SECURITIES EXCHANGE: 24 MAY 2011

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### **Memorandum of Understanding for Additional Iron Sands Area**

The Directors of Indo Mines ("**Indo Mines**" or "**Company**") are pleased to advise that the Company has signed a Memorandum of Understanding ("**MoU**") with a privately owned Indonesian group, PT Berat Anugerah Tama Sejati ("**PT BATS**"), that has access to a number of iron sands holdings and other mineral projects in the east of Indonesia, particularly the Halmahera region.

Indo Mines Managing Director and CEO, Mr Martin Hacon, said: "The acquisition of additional iron sands projects will expedite the Company's strategy to become the supplier of choice to the growing Indonesian and Asian Steel and Metals Industry."

Prior to signing the MoU, the Company completed an initial high level field evaluation programme of an area prospective for iron sands in Halmahera and based on this initial work will seek to complete a more detailed evaluation of the geology, environmental and socialisation aspects of the prospective area.

Subject to a commercial arrangement being finalised between the Company and PT BATS and the findings of a more detailed exploration programme covering the area of interest, Indo Mines will seek to develop this project in parallel with the Jogjakarta Iron Project to enable additional early cash flows from iron concentrate production.

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