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Date	27 November 2012
Pages	30 (including this page)
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From	Corrs Chambers Westgarth Fax +61 2 9210 6611
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Rajawali Group International Limited - Form 604

We act for Rajawali Group International Limited (**Rajawali**).

We **attach** a form 604 (Notice of change of interests of substantial holder) issued by Rajawali in relation to the shares of Indo Mines Limited (ASX: IDO).

Yours faithfully
Corrs Chambers Westgarth

Corr Chambers Westgarth

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Form 604Corporations Act 2001
Section 671B**Notice of change of interests of substantial holder**To: Company Name/Scheme **Indo Mines Limited**
ACN/ARSN **ACN 009 245 210****1. Details of substantial holder (1)**Name **Rajawali Group International Limited and its associates**
ACN/ARSN (if applicable) **N/A**There was a change in the interests of the
substantial holder on **23/11/2012**
The previous notice was given to the company on **07/02/2012**
The previous notice was dated **06/02/2012****2. Previous and present voting power**

The total number of votes attached to all the voting shares in the company or voting interests in the scheme that the substantial holder or an associate (2) had a relevant interest (3) in when last required, and when now required, to give a substantial holding notice to the company or scheme, are as follows:

Class of securities (4)	Previous notice		Present notice	
	Person's votes	Voting power (5)	Person's votes	Voting power (5)
Ordinary shares	57,317,294	19.9%	307,317,294	57.12%

3. Changes in relevant interests

Particulars of each change in, or change in the nature of, a relevant interest of the substantial holder or an associate in voting securities of the company or scheme, since the substantial holder was last required to give a substantial holding notice to the company or scheme, are as follows:

Date of change	Person whose relevant interest changed	Nature of change (6)	Consideration given in relation to change (7)	Class and number of securities affected	Person's votes affected
23 November 2012	Rajawali Group International Limited	Acquired shares pursuant to Subscription Agreement dated 23 September 2012 - annexed at Annexure A	\$0.20 per share	250,000,000	250,000,000

4. Present relevant interests

Particulars of each relevant interest of the substantial holder in voting securities after the change are as follows:

Holder of relevant interest	Registered holder of securities	Person entitled to be registered as holder (8)	Nature of relevant interest (6)	Class and number of securities	Person's votes
Rajawali Group International Limited	Rajawali Group International Limited	Rajawali Group International Limited	Direct	57,317,294 ordinary shares	57,317,294
Rajawali Group International Limited	Yogya Metals and Mining Limited	Rajawali Group International Limited	Beneficial	150,000,000 ordinary shares	150,000,000
Rajawali Group International Limited	Java Metals and Mining Limited	Rajawali Group International Limited	Beneficial	100,000,000 ordinary shares	100,000,000

5. Changes in association

The persons who have become associates (2) of, ceased to be associates of, or have changed the nature of their association (9) with, the substantial holder in relation to voting interests in the company or scheme are as follows:

Name and ACN/ARSN (if applicable)	Nature of association
N/A – no change	N/A

6. Addresses

The addresses of the persons named in this form are as follows:

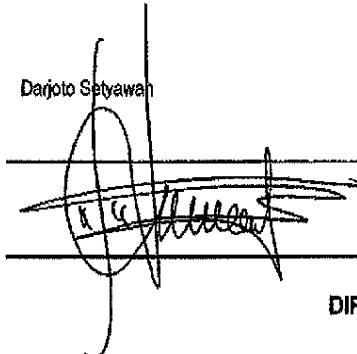
Name	Address
Rajawali Group International Limited	Trident Chambers, Wickhams Cay, Road Town, Tortola, British Virgin Islands
Yogya Metals & Mining Limited	As above
Java Metals & Mining Limited	As above

Signature

print name Darjoto Setyawan

capacity Attorney for Rajawali Group International Limited
under a power of attorney dated 16 December 2011

sign here



date 26 November 2012

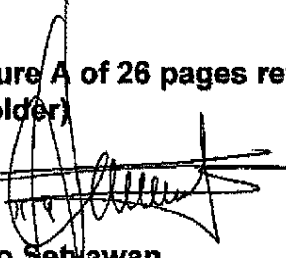
DIRECTIONS

- (1) If there are a number of substantial holders with similar or related relevant interests (eg, a corporation and its related corporations, or the manager and trustee of an equity trust), the names could be included in an annexure to the form. If the relevant interests of a group of persons are essentially similar, they may be referred to throughout the form as a specifically named group if the membership of each group, with the names and addresses of members is clearly set out in paragraph 7 of the form.
- (2) See the definition of "associate" in section 9 of the Corporations Act 2001.
- (3) See the definition of "relevant interest" in sections 608 and 671B(7) of the Corporations Act 2001.
- (4) The voting shares of a company constitute one class unless divided into separate classes.
- (5) The person's votes divided by the total votes in the body corporate or scheme multiplied by 100.
- (6) Include details of:
- (a) 137 any relevant agreement or other circumstances because of which the change in relevant interest occurred. If subsection 671B(4) applies, a copy of any document setting out the terms of any relevant agreement, and a statement by the person giving full and accurate details of any contract, scheme or arrangement, must accompany this form, together with a written statement certifying this contract, scheme or arrangement; and
- (b) any qualification of the power of a person to exercise, control the exercise of, or influence the exercise of, the voting powers or disposal of the securities to which the relevant interest relates (indicating clearly the particular securities to which the qualification applies).
- See the definition of "relevant agreement" in section 9 of the Corporations Act 2001.
- (7) Details of the consideration must include any and all benefits, money and other, that any person from whom a relevant interest was acquired has, or may, become entitled to receive in relation to that acquisition. Details must be included even if the benefit is conditional on the happening or not of a contingency. Details must be included of any benefit paid on behalf of the substantial holder or its associate in relation to the acquisitions, even if they are not paid directly to the person from whom the relevant interest was acquired.
- (8) If the substantial holder is unable to determine the identity of the person (eg if the relevant interest arises because of an option) write "unknown".
- (9) Give details, if appropriate, of the present association and any change in that association since the last substantial holding notice.

Annexure A

This is Annexure A of 26 pages referred to in Form 604 (Notice of change of interests of substantial holder)

Signature:



Name: Darjoto Setyawan

Date: 26 November 2012

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Subscription Agreement

Indo Mines Limited ACN 009 245 210
Indo

Rajawali Group International Limited
Investor

HARDY•BOWEN

LAWYERS

Level 1, 28 Ord Street, West Perth 6005
PO Box 1364, West Perth WA 6872
Tel + 61 8 9211 3600 Fax + 61 8 9211 3690
Our Ref - MPB:SDG:120375

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This Agreement is made this day of September 2012

Parties **Indo Mines Limited ACN 009 245 210** of 68 South Terrace, South Perth in the State of Western Australia (**Indo**)

and

Rajawali Group International Limited of Trident Chambers, Wickhams Cay, Road Town, Tortola, British Virgin Islands (**Investor**)

Recitals

- A. Indo is an ASX listed company registered under the Corporations Act.
- B. Indo has agreed to issue and Investor has agreed to subscribe for the Subscription Shares on the terms and conditions in this Agreement.

This Agreement provides

1. Definitions and Interpretation

1.1 Definitions

In this Agreement the following terms shall bear the following meanings:

Affiliate means, with respect to any person, any other person directly or indirectly Controlling, Controlled by, or under common Control with, that person.

Agreement means this agreement as varied from time to time by the Parties.

Associate has the same meaning as in section 9 of the Corporations Act.

ASX means ASX Limited (ABN 98 008 624 691) and, where the context permits, the Australian Securities Exchange operated by ASX Limited.

Bank Account means Indo's bank account titled **Indo Mines Limited – National Australia Bank**, BSB 086 492, Account No: 19 445 9206, Swift Code: NATAAU3303M.

Board means the board of directors of Indo.

Board Changes has the meaning given to it in clause 5.2(c).

Break Fee means an amount equal to 1% of the Subscription Amount.

Business Day means a day on which all banks are open for business generally in Perth, Western Australia and Jakarta, Indonesia.

Change in Control means if at any time after the Completion Date any person (or group of persons who are Associates who between them), other than Investor or its Nominee, acquires:

- (a) a direct or indirect legal interest in more than 90% of the issued Shares; or
- (b) a direct or indirect beneficial interest in more than 90% of the issued Shares.

Competing Transaction means a proposed transaction or arrangement pursuant to which a person other than the Investor or any of its Related Bodies Corporate would, if the proposed transaction or arrangement is entered into or completed substantially in accordance with its terms:

- (a) directly or indirectly acquire, have a right to acquire or otherwise acquire an economic interest in, all or a substantial part of the business of Indo;
- (b) acquire a relevant interest in 20% or more of the ordinary shares of Indo or acquire control of Indo within the meaning of section 50AA of the Corporations Act; or
- (c) otherwise acquire or merge with Indo whether by way of takeover offer, scheme of arrangement, shareholder approved acquisition, capital reduction, share buy-back, sale or purchase of assets, joint venture, reverse takeover, dual-listed company structure or other synthetic merger or any other transaction or arrangement.

Completion means the completion of the subscription for, and issue of the Subscription Shares under clause 5.

Completion Date means the date on which Completion occurs.

Conditions has the meaning given to it in clause 3.1(a).

Confidential Information means all information provided by one party to the other and includes for each Party all information concerning the Transaction, the subject matter of this Agreement and the negotiations leading to this Agreement.

Conflicted Director means Mr Hendra Surya or any replacement Investor-appointed Board nominee.

Consent means a consent to act as a director for the purposes of section 205B and 205C of the Corporations Act.

Control means the same meaning as in section 50AA of the Corporations Act and Controlled and Controlling have corresponding meanings.

Corporations Act means the Corporations Act 2001 (Cth).

COW means the contract of work between JMI and the Government of the Republic of Indonesia dated 4 November 2008.

Cut Off Date means 3 December 2012 or such other date as agreed between the Parties in writing.

EGM has the meaning given to it under clause 3.1(b)(i).

Encumbrance means an interest or power:

- (a) reserved in or over an interest in any asset including any retention of title; or
- (b) created or otherwise arising in or over any interest in any asset under a bill of sale, mortgage, charge, lien, pledge, trust or power,

by way of security for the payment of a debt, any other monetary obligation or the performance of any other obligation, and includes, but is not limited to, any agreement to grant or create any of the above.

Exclusivity Period means the period commencing on the date of this Agreement and ending at 5pm (WST) on the date which is the earlier of the Completion Date and the Cut-Off Date.

Independent Expert means a reputable expert with experience in valuations appointed by the President of the Law Society of Western Australia.

Investor Shareholding means the combined percentage shareholding of the Shares held by Investor and its Nominees (as applicable) from time to time.

JMI means PT Jogja Magasa Iron, a limited liability company existing and organized under the laws of Indonesia.

JMM means PT Jogja Magasa Mining, a limited liability company established under the laws of the Republic of Indonesia.

Listing Rules means the listing rules of ASX.

Material Adverse Change and **MAC** means any event occurring after the date of the this Agreement which individually, or in the aggregate, has or is reasonably likely to have a significant adverse effect (ie more than 5%) on the business, results of operations, assets, liabilities, financial position, properties or prospects of Indo and its Related Bodies Corporate including (without limitation) mining and exploration operations of JMI, other than any of the following events:

- (a) an event required or expressly permitted to be done or procured by Indo or its subsidiaries pursuant to this Agreement;
- (b) an event expressly agreed in writing by the Parties not to be a Material Adverse Change prior to the date of this Agreement;
- (c) an event done with the prior written approval of the Investor;
- (d) events that are or that arise from changes in commodity prices or currency exchange rate changes;
- (e) stock market fluctuations or securities market conditions.

Nominee means any entity nominated by the Investor in accordance with clause 4.

Non-conflicted Directors means each director of Indo except for the Conflicted Director.

Official List means the official list of ASX.

Option means an option to acquire a Share.

Permitted COW Encumbrance means the Senior Secured Convertible Debenture dated 5 June 2009 between Indo, JMI (as pledgor) and Anglo Pacific Group Plc (as holder).

Party means a party to this Agreement and **Parties** means both of them.

Project means the Jogjakarta Iron Project, located in the Kulon progo Regency, approximately 30km to the southwest of Jogjakarta City, conducted by JMI pursuant to the COW.

Rajawali Nominated Directors means any two persons nominated prior to the EGM by Investor to be appointed to the Board, which nomination shall be in writing and include:

- (a) all information necessary for the Shareholders to appoint that person to the Board at the EGM; and
- (b) written confirmation from Investor that each nominee is a person of good standing, has not been bankrupt or committed an offence together with a statement that Investor is not aware of any reason why the nominee should not be appointed to the Board.

Related Body Corporate has the meaning given in section 50 of the Corporations Act.

Removable Director means each director of Indo except for the Conflicted Director and Martin Hacon.

Securities mean Shares, Options or any other securities.

Settlement Rules means the settlement and operating rules of ASX Settlement Pty Limited.

Share means a fully paid ordinary share in the capital of Indo.

Shareholder means a shareholder of Indo.

Subscription Amount means the sum of A\$50,000,000.

Subscription Shares means 250,000,000 Shares.

Statute means any legislation of any country, state or territory in force at any time, and in any rule, regulation, ordinance by-law, statutory instrument, order or notice at any time made under that legislation.

Superior Proposal means a Competing Transaction which:

- (a) in the determination of the Board (excluding any Conflicted Director), acting in good faith, is reasonably capable of being completed, taking into account both the nature of the Competing Transaction and the person or persons making it; and
- (b) in the determination of the Board (excluding any Conflicted Director), acting in good faith, and in order to satisfy what the Board considers to be its fiduciary or statutory duties would, if completed substantially in accordance with its terms, result in a transaction more favourable to the Shareholders than the Transaction.

Trading Day has the same meaning as in the Settlement Rules.

Transaction means the subscription for the Subscription Shares by Investor on the terms and conditions in this Agreement and all of the transactions contemplated by this Agreement.

1.2 Interpretation

In this Agreement:

- (a) headings are for convenience only and do not affect interpretation;

and unless the context indicates a contrary intention:

- (b) a reference to any party includes that party's executors, administrators, successors, substitutes and assigns, including any person taking by way of novation and where a party executes this Agreement in its capacity as trustee, a reference to that party includes any substituted or additional trustee;
- (c) a reference to this Agreement or to any other agreement, deed or document includes, respectively, this Agreement or that other agreement, deed or document as amended, novated, supplemented, varied or replaced from time to time;
- (d) words importing the singular include the plural (and vice versa), words denoting a given sex include the other sex, and words denoting individuals include corporations (and vice versa);
- (e) reference to any legislation or to any section or provision of any legislation includes any statutory modification or re-enactment or any statutory provision substituted for it, and ordinances, by-laws, regulations, and other statutory instruments issued under any legislation;
- (f) references to parties, clauses, schedules, exhibits or annexures are references to parties, clauses, schedules, exhibits and annexures to or of this Agreement, and a reference to this Agreement includes any schedule, exhibit and annexure;
- (g) if any day appointed or specified by this Agreement for the payment of any money or doing of any thing falls on a day which is not a Business Day, the day so appointed or specified will be deemed to be the next Business Day;
- (h) if more than one person is under an obligation to act or not to act under this Agreement, the liability of those persons so identified binds each of them severally and every two or more of them jointly; if more than one person receives the same benefit under this Agreement the benefit is to be enjoyed by each of them severally;
- (i) references to payments to any party to this Agreement will be construed to include payments to another person upon the direction of such party;
- (j) a reference to "A\$" or "dollar" is to Australian currency; and
- (k) all payments to be made under this Agreement must be made by unendorsed bank cheque or other immediately available funds and in Australian currency.

2. Subscription for the Subscription Shares

- (a) Investor hereby subscribes for (or procures that one or more Nominees will subscribe for) and Indo hereby agrees to issue to Investor (or one or more Nominees as applicable) the Subscription Shares for the Subscription Amount on the terms and conditions in this Agreement.
- (b) The Subscription Amount must only be used by Indo:
 - (i) prior to the Board Changes occurring, pursuant to a written resolution approved by at least 75% of the Board; and

- (ii) after the Board Changes occurring, pursuant to a written resolution approved by at least 50.1% of the Board.

3. Completion Conditions

3.1 Completion Conditions

- (a) Completion of the issue of the Subscription Shares under clause 5 is subject to and conditional upon the following:
 - (i) Shareholders approving by resolution the issue of the Subscription Shares in accordance with s.611, item 7, of the Corporations Act at the EGM; and
 - (ii) Shareholders approving by resolution the appointment of the Rajawali Nominated Directors to the Board with effect from the Completion Date at the EGM,

(together, the **Conditions**).
- (b) Indo must do all such things as may be reasonably required to ensure that the Conditions in clause 3.1(a)(i) and (a)(ii), are satisfied as expeditiously as possible after the date of this Agreement, including:
 - (i) convening (through the Board) and holding an extraordinary general meeting of Indo (in accordance with the Corporations Act) to consider the resolutions set out in clause 3.1(a)(i) and 3.1(a)(ii) (**EGM**) as soon as possible after the date of this Agreement;
 - (ii) preparing all notices and other disclosure material that will be provided to Shareholders for the purpose of the EGM as soon as possible after the signing of this Agreement;
 - (iii) appointing BDO Australia as an independent expert as soon as possible after the signing of this Agreement to prepare an independent expert's report on the Transaction for the purpose of Indo's disclosure requirements for the Shareholder approval under clause 3.1(a)(i);
 - (iv) providing all assistance and information reasonably requested by the independent expert in connection with the preparation of the independent expert's report; and
 - (v) the Non-conflicted Directors passing a unanimous resolution to recommend to the Shareholders to vote in favour of the resolution set out in clause 3.1(a)(i) (subject only to the independent expert concluding that the Transaction is fair and reasonable to the non-associated Shareholders).
- (c) Indo must:
 - (i) keep Investor at all times informed of:
 - (A) the progress towards satisfaction of its obligations under clause 3.1(b); and

- (B) any issues of which Indo becomes aware in connection with the preparation of the independent expert's report which are, in Indo's reasonable opinion, material to the Investor, including without limitation, any indication from the independent expert that the Transaction may not be fair and reasonable to the Shareholders whose votes are to be counted on the resolution in clauses 3.1(a)(i) and 3.1(a)(ii); and
- (ii) provide the Investor with the opportunity to review and comment on the notice of meeting to Shareholders, and all other disclosure materials provided to Shareholders for the purpose of the EGM and take into account any comments which may be made by the Investor, provided that the Investor does not cause any unreasonable delays the lodgement of the notice of meeting to Shareholders with ASX by Indo.

3.2 Waiver

- (a) The Condition in clause 3.1(a)(i) cannot be waived by either Party.
- (b) The Condition in clause 3.1(a)(ii) is for the benefit of Investor and can only be waived by Investor in writing.

3.3 Conditions not satisfied

If the Conditions in clauses 3.1(a)(i) and 3.1(a)(ii) are not satisfied or waived in accordance with clause 3.2 on or before the Cut Off Date, then any Party not in material breach may, by giving not less than 2 Business Days' notice to the other, terminate this Agreement with immediate effect.

4. Nomination

- (a) Investor may nominate one or more of its Affiliates or wholly owned subsidiaries of Investor to be the holder of the Subscription Shares, in whatever proportions Investor decides. Investor will give notice of the identity of each Nominee by notice in writing to Indo at least 5 Business Days before the Completion Date.
- (b) From the date of receipt by Indo of the notice in clause 4(a), **(the Notification Date)** Indo agrees that each Nominee will have the benefit of Investor's rights under this Agreement (including the warranties in clause 10.2), and that such rights will be held by Investor on trust for the benefit of each Nominee.

5. Completion

5.1 Time and place

Completion will take place on the date which is five (5) Business Days after the satisfaction or waiver of the Conditions in clause 3.1, at 5.00pm (WST) at Indo's office unless otherwise agreed in writing.

5.2 Indo's obligations

At Completion Indo must:

- (a) issue the Subscription Shares to Investor (or any Nominee as applicable) free of any Encumbrance or other third party rights and in accordance with all applicable laws, the Settlement Rules and the Listing Rules;
- (b) issue a holding statement to Investor (or any Nominee as applicable) in relation to the Subscription Shares;
- (c) procure the:
- (i) written resignation of a Removable Director (with the resignation to be effective no later than 2 months from the Completion Date); and
 - (ii) appointment of one of the Rajawali Nominated Directors as Chairman of Indo,
- (together, the **Board Changes**), failing which it shall convene a general meeting of Indo as soon as possible after Completion (and in any event no later than 2 months from Completion) for the Shareholders to consider a resolution to affect the Board Changes;
- (d) ensure that within 3 Trading Days of the issue of the Subscription Shares, approval has been given for official quotation on the Official List of the Subscription Shares conditional only on the usual conditions required by ASX;
- (e) sign all documents and do all acts and things (including as required of it by ASX) to ensure that the Subscription Shares are granted official quotation by ASX within the period required by clause 5.2(d); and
- (f) immediately issue a notice to ASX that complies with sections 708A(5)(e) and 708A(6) of the Corporations Act (and such notice must confirm that Indo has not withheld any excluded information for the purposes of section 708A(6)(e) of the Corporations Act).

5.3 Investor obligations

At Completion, Investor must pay the Subscription Amount in immediately available funds, to the Bank Account.

5.4 Interdependence

The requirements of clauses 5.2 and 5.3 are interdependent and must be carried out contemporaneously at Completion. No delivery or payment will be deemed to have been made until all deliveries and payments have been made.

5.5 Indo Constitution

On issue of the Subscription Shares, Investor agrees to be bound by, or to procure that the Nominee will be bound by, Indo's constitution.

6. Exclusivity

- (a) During the Exclusivity Period, Indo must ensure that neither it, nor its Related Bodies Corporate nor any of their directors, officers, employees, agents or advisers (**Representatives**) directly or indirectly solicits, invites, encourages or initiates any enquiries, negotiations, discussions or proposals, or engages with any person, which may reasonably be expected to encourage or lead to, a Competing Transaction.

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- (b) Subject to clause 6(c), during the Exclusivity Period, Indo must ensure that neither it nor any of its Representatives:
 - (i) participate in any negotiations in relation to a Competing Transaction or which may reasonably be expected to encourage or lead to a Competing Transaction;
 - (ii) provide any information to a third party for the purposes of enabling that party to make a Competing Transaction; or
 - (iii) enter into any agreement, arrangement or understanding in relation to, or which might lead to, a Competing Transaction.
 - (c) Clause 6(b) does not apply if the Board, acting in good faith, after having obtained written advice from its legal and, if appropriate, its financial advisers, determines that:
 - (i) the Competing Transaction is a Superior Proposal and Indo has complied with clause 6(e) or, the Competing Transaction could reasonably be expected to become a Superior Proposal; and
 - (ii) failing to respond to the Competing Transaction would be likely to constitute a breach of its fiduciary or statutory duties.
 - (d) During the Exclusivity Period, Indo must:
 - (i) promptly notify the Investor if it or any of its Representatives receive any inquiry or proposal which may reasonably be expected to lead to a Competing Transaction;
 - (ii) as soon as reasonably practicable provide written notice of the identity of the party or parties involved in the inquiry or proposal; and
 - (iii) provide the Investor with regular updates on the status of the inquiry or proposal.
 - (e) If the Board determines that a Competing Transaction is a Superior Proposal, Indo must as soon as reasonably practicable after making that determination:
 - (i) notify Investor of that determination;
 - (ii) provide Investor with full details of all material terms of the Competing Transaction (including details of the proposed consideration and conditions); and
 - (iii) give the Investor a period of 5 Business Days from the date on which the Investor is provided with all information in accordance with paragraph (ii), during which time Investor or a Nominee may make an offer to Indo to amend the Transaction or propose a new transaction that would result in the Competing Transaction not being a Superior Proposal. Indo must not accept a Superior Proposal, enter into an agreement, understanding or arrangement in relation to a Superior Proposal or recommend a Superior Proposal to its shareholders until the expiry of 5 Business Days after it has informed the Investor of the full terms of the Superior Proposal and the identity of the person making the Superior Proposal.
 - (f) Indo warrants as at the date of this Agreement that:

- (i) neither it nor any of its Representatives is in discussions or negotiations with any party which may reasonably be expected to encourage or lead to a Competing Transaction; and
- (ii) it has, and its Representatives have, ceased any existing discussions or negotiations with any party which may reasonably be expected to encourage or lead to a Competing Transaction.
- (g) Other than as expressly permitted under this Agreement, during the Exclusivity Period Indo must not, and must ensure that its Related Bodies Corporate do not, without the prior written approval of Investor:
- (i) acquire or dispose of any assets, whose aggregate value exceeds \$100,000;
- (ii) appoint any new director to the Board;
- (iii) enter into any new contract or commitment requiring it to pay more than \$50,000 per annum;
- (iv) vary any existing contract or commitment (including any employment contract) by an amount exceeding 5% of the total annual contract or commitment value, other than where previously agreed in writing prior to the date of this Agreement;
- (v) commence any legal proceedings, arbitration, mediation or any other form of litigation or dispute resolution or administrative or governmental proceedings;
- (vi) create an Encumbrance over any of its assets, or take on any debt or other liability, in excess of \$50,000;
- (vii) sell any of its interest in JMI;
- (viii) distribute or return any capital to its members;
- (ix) buy back any of its Shares;
- (x) grant any options or rights to take up by way of subscription, conversion or substitution further shares in its capital, whether the shares rank in preference to, equally with or after the Subscription Shares in respect of any right or interest;
- (xi) grant any special voting or other rights that attach to the ordinary issued shares of its capital; or
- (xii) dispose of, or agree to dispose of, any of its right, title or interest in the COW, or agree to any variation of the terms and conditions of the COW.

7. Break Fee

- (a) Indo must pay the Break Fee to Investor if any of the following occurs:
- (i) Indo breaches an obligation under clause 6 or is in material breach of any other provision of this Agreement (other than clause 10.2) and

this Agreement is terminated by the Investor as a result of that breach;

(ii) at any time prior to the date of the EGM, any Non-conflicted Director withdraws or adversely modifies their recommendation of the Transaction or recommends or supports a Competing Transaction, (except where the independent expert opines that the Transaction is not fair and reasonable to the non-associated Shareholders other than as a result of a Superior Proposal);

(iii) the:

(A) notice of the EGM has not been dispatched in writing to Shareholders on or before 1 November 2012; or

(B) resolutions set out in clauses 3.1(a)(i) and 3.1(a)(ii) are not put to and voted on by Shareholders on or prior to 3 December 2012,

except to the extent there has been a delay caused as a direct result of the action, or the inaction, of the Investor in complying with its obligations under this Agreement; or

(iv) during the Exclusivity Period, a Competing Transaction is publicly announced, and within 12 months after the date of the public announcement of the Competing Transaction:

(A) the proponent of the Competing Transaction acquires a relevant interest in 20% or more of the ordinary shares of Indo or acquires control of Indo within the meaning of section 50AA of the Corporations Act; or

(B) the Competing Transaction completes.

(b) Indo must pay the Break Fee to any bank account nominated by the Investor in immediately available funds within 5 Business Days after receipt by Indo of a demand for payment from the Investor following the occurrence of any of the events in clause 7(a).

8. New Issues & Right to Participate

(a) Subject to clauses 8(b) and 8(e) for a period of five (5) years commencing on the Completion Date Indo agrees:

(i) if it requires funding (either debt or equity), it will first consult with Investor in relation to the proposed form of such funding prior to discussions with any third party investors or financiers;

(ii) if it proposes to issue new Securities then it will use reasonable endeavours to do it by way of a pro-rata rights issue to the existing Shareholders;

(iii) if it proposes to issue new Securities and it is not practicable to do so in accordance with clause 8(a)(ii), Indo will provide the Investor with a right to be issued additional Securities for cash, on the same terms and conditions as those offered to each other third party investor;

- (iv) it will provide Investor with a right to participate on a cash equivalent basis (as agreed by the Parties and failing such agreement as determined by an Independent Expert) in any new issues of Securities issued by Indo other than for cash; and
- (v) it will offer Investor the opportunity to underwrite or sub-underwrite any new issue of Securities (including rights issues) on customary terms.
- (b) Investor may elect for any Securities issued under clauses 8(a)(ii), 8(a)(iii), 8(a)(iv) or 8(a)(v) to be issued to one or more Nominee, in whatever proportions it decides.
- (c) Any issue of Securities to Investor or a Nominee(s) under clause 8(a) shall be subject to any requisite Shareholder and regulatory approvals as may be necessary from time to time, which Indo will use reasonable endeavours to obtain as promptly as practicable.
- (d) Indo will not be obliged to issue any Securities to Investor or a Nominee(s) under clause 8(a) to the extent that to do so would result in a violation of applicable laws or the Listing Rules.
- (e) If at any time after Completion:
- (i) the Investor Shareholding is below 10%; or
- (ii) there is a Change in Control,
- then clause 8(a) shall have no further force or effect.

9. ASX Announcement

- (a) Upon execution of this Agreement, Indo will and Investor may make an announcement concerning the Transaction.
- (b) Indo and Investor will consult with each other in relation to the form of any announcement they propose to make under clause 9(a).

10. Representations and Warranties

10.1 General

Each Party represents and warrants to the other Party that:

- (a) this Agreement constitutes its valid and legally binding obligation in accordance with its terms;
- (b) it has full power and capacity to enter into and perform its obligations under this Agreement;
- (c) the execution, delivery and performance of this Agreement by it does not violate any Statute, law, Listing Rule or any document (including a constitution, encumbrance or agreement) to which it or any of its Related Bodies Corporate is a party or which is binding on it or any of its Related Bodies Corporate or any of its assets; and

- (d) all consents, licences, approvals and authorisations required to be obtained by it in connection with the execution, delivery and performance of this Agreement have been obtained and are valid and subsisting, other than those set out in clause 3.1.

10.2 By Indo

Indo represents and warrants to Investor that:

- (a) Indo has the authority to issue Shares as contemplated by this Agreement to Investor including under the Listing Rules;
- (b) as at the date of this Agreement, the Board consists of 5 directors;
- (c) it is a corporation registered and validly existing under the Corporations Act;
- (d) Shares issued pursuant to this Agreement will be issued free of any Encumbrance and fully paid;
- (e) Shares issued pursuant this Agreement will, once issued, rank equally in all respects with all other Shares and will constitute 46.5% of the issued Shares of Indo;
- (f) no meeting has been convened, resolution proposed, petition presented or order made for the winding up of Indo;
- (g) no receiver, receiver and manager, provisional liquidator, liquidator or other officer of the Court has been appointed in relation to all or any material assets of Indo;
- (h) Indo is not insolvent within the meaning of section 95 of the Corporations Act;
- (i) Indo has not stopped paying its debts as and when they become due and payable;
- (j) Indo is not subject to voluntary administration under Part 5.3A of the Corporations Act;
- (k) the most recent financial statements lodged by Indo with ASX in accordance with the Listing Rules give a true and fair view of the financial position, assets, liabilities and profits and losses of Indo as at the relevant balance date and are not misleading or deceptive in any material respect;
- (l) Indo is not a party to any material pending or actual prosecution, litigation, arbitration or dispute resolution proceedings nor is Indo party to any investigation, audit or other inquiry by a governmental agency;
- (m) to the best of Indo's knowledge, information and belief, there are no proceedings, investigations, audits or other inquiries of the type referred to in clause 10.2(l) threatened against Indo nor any disputes which may or might give rise to any such proceedings;
- (n) it has been admitted to, and is listed on, the Official List and it has not been removed from the Official List and no removal from the Official List has been threatened by the ASX;
- (o) all security interests over the assets of Indo have been disclosed to the ASX by Indo;

- (p) all material agreements or arrangements which are binding on Indo have been disclosed to the ASX by Indo;
- (q) Indo has complied with the continuous disclosure requirements under the Listing Rules and is not aware of any information subject to an exception under Rule 3.1A;
- (r) Indo is relying on the Case 1 exemption in section 708A(5) of the Corporations Act in relation to the Shares issued under this document and:
- (i) the Shares issued under this document will be in a class of securities that:
 - (A) are quoted securities (as defined in the Corporations Act) of Indo at all times; and
 - (B) are quoted on a financial market operated by ASX without being suspended from trading for more than a total of five trading days during the 12 months before the date of issue of the Shares issued under this document; and
 - (ii) no:
 - (A) exemption under section 111AS or 111AT of the Corporations Act; or
 - (B) order under sections 340 or 341 of the Corporations Act, does or will cover Indo, or any person, as a director or auditor of Indo, at any time in the 12 months before the issue of the Shares issued under this document;
- (s) ASIC has not, and will not before the date of issue of the Shares issued under this document, make a determination for contravention by Indo within the previous 12 months of any of the provisions listed in section 708A(2) of the Corporations Act;
- (t) each offer for sale and each sale of Shares under this document will not be an offer or sale to which sections 707(3) or 707(4) of the Corporations Act applies so as to require the offeror or seller to prepare and lodge with ASIC a prospectus or other document relating to the offer or sale;
- (u) the information concerning Indo and the Project prepared by or on behalf of Indo and provided to the Investor in connection with the offer, subscription and issue of the Subscription Shares or this Agreement is accurate in all material respects;
- (v) it currently owns 70% of the issued share capital in JMI and other than the Permitted COW Encumbrance:
- (i) there is no other beneficial owner of those shares; and
 - (ii) no third party has any other rights in relation to those shares;
- (w) JMI has not issued securities with conversion rights to shares or securities in it and there are no agreements or arrangements under which options or convertible notes have been issued by it;

- (x) JMI is still a party to, and has the benefit of, the COW and no rights under the COW have been withdrawn, modified or surrendered and there are no facts matters or circumstances that could reasonably be expected to lead to such withdrawal, modification or surrender or the cancellation or forfeiture of the COW;
- (y) the COW is in good standing and JMI is not in material default of the COW and there has not been any act or omission by JMI which would be a material default of the COW;
- (z) other than the Permitted COW Encumbrance, there is no Encumbrance held by any third party in JMI's interest in the COW nor does any third party have any right, title or interest in the JMI's interest in the COW or any metals or minerals which may be derived from the COW area (provided that Indo makes no warranty or representation with respect to JMM's shareholding in JMI);
- (aa) neither Indo Mines, nor its subsidiaries, is in default, or would be in default but for the requirements of notice or lapse of time, under any material contract or agreement to which it is a party;
- (bb) it is not aware of any factors affecting any area that is the subject of the COW that will, or would reasonably be likely to, give rise to any material liability for Indo Mines or its subsidiaries under any environmental laws or regulations; and
- (cc) it is not aware of any material information that would be relevant to an investor assessing the Transaction relating to Indo, JMI or the Project that has not been made available to Investor before the date of this Agreement.

10.3 Investor Warranties

Investor represents and warrants to Indo that:

- (a) it is a professional investor or sophisticated investor (as those terms are defined in the Corporations Act);
- (b) upon being registered as the registered proprietor of Shares issued pursuant to this Agreement, the Investor and each Nominee (as applicable) will be bound by Indo's constitution;
- (c) it has not relied on any representation or warranty (whether express, implied or otherwise) by Indo other than as expressly set out in this Agreement;
- (d) it has had such opportunity as it has deemed adequate to obtain from Indo such information and conduct such investigations and make such enquiries as is necessary to permit them to evaluate the merits and risks of entering into this Agreement;
- (e) it has had a fair opportunity to read and review this Agreement, that the same has been reviewed by their own legal adviser and the effect and import of this Agreement and all ancillary matters have been fully explained by the legal adviser; and
- (f) it has relied upon its own judgment in executing this Agreement and has not relied on or been induced by any representation, statement or act by Indo or any of its directors, employees or agents other than as expressly set out in this Agreement.

10.4 Warranties repeated

Each warranty will be repeated on the date of this Agreement and on the date of issue of the Subscription Shares and each day in between. The interpretation of any warranty made is not restricted by reference to or inference from any other warranty.

10.5 Negative undertaking

A Party must not do, allow or procure, before Completion, anything which is or may result in a breach of any of the Warranties given by that Party at the date hereof or which would or might make any of such Warranties inaccurate or misleading if they were so given.

10.6 Notice of breach

Up and until and including Completion, a Party must immediately give notice in writing to the other Party of any breach of any warranty. Such notification does not limit or affect the liability of the notifying Party for any such breach.

10.7 Survival of warranties

The warranties will survive the issue of Shares pursuant to this Agreement and continue in full force and effect for the benefit of the other Party to this Agreement. Liability for breach of any warranty is not confined to breaches discovered before the issue of the Shares pursuant to this Agreement

10.8 Termination by Investor

- (a) Investor may terminate this Agreement at any time before Completion by notice in writing to Indo if:
- (i) subject to clause 10.8(b), any of the warranties set out in clause 10.1 and 10.2 become untrue or incorrect;
 - (ii) Indo is in breach of clause 6 or is in material breach of any other provision of this Agreement (and Investor is not in breach of this Agreement at the time of Indo's breach);
 - (iii) clause 6(c) applies; or
 - (iv) the Investor advises Indo in writing that a MAC has occurred.
- (b) Investor may not terminate this Agreement pursuant to a breach of this Agreement under clause 10.8(a)(i) or a MAC under clause 10.8(a)(iv) unless Indo has been provided with notice of such breach or MAC and if such breach or MAC is capable of being cured, not cured within the earlier of:
- (i) five (5) Business Days after a notice specifying the breach or MAC is given to Indo; or
 - (ii) one Business Day prior to Completion.

10.9 No other warranty or representation

- (a) Neither Party has made any representation, warranty or other inducement to the other Party to enter into this Agreement which is not contained in this Agreement.

- (b) Each of the Parties acknowledges and agrees that the other Party has:
- (i) not made any other representation or warranty other than those contained in this clause 10; and
 - (ii) each Party has made their own assessment of all required matters before entering into this Agreement and has not relied on any representation, warranty or other inducement to enter into this Agreement which is not contained in this Agreement.

11. Confidentiality and publicity

11.1 General

Each Party will keep entirely confidential and will ensure that their employees, officers, advisers and related bodies corporate (within the meaning of the Corporations Act) keep confidential all Confidential Information of the other Party and will use the Confidential Information solely for the purpose of the subscription of Shares contemplated by this Agreement.

11.2 Reasonable steps

The Parties agree that they will take all necessary steps to protect the Confidential Information of the other Party and to keep it secure from unauthorised persons.

11.3 Exceptions

This clause 11 will not prevent disclosure or announcement (as the case may be):

- (a) to the extent required by law (including the ASX Listing Rules);
- (b) of Confidential Information provided to the recipient (without restriction as to its use or disclosure by the recipient) by a third party whom the recipient knows is legally entitled to possess the Confidential Information and provide it to the recipient;
- (c) of Confidential Information which is in the public domain other than as a result of a breach of this Agreement;
- (d) to the relevant Parties' financial, legal or accounting advisers; or
- (e) with the written consent of the other Party.

11.4 Destruction of Confidential Information

Each Party will at the request of the other Party return to that Party or, at the option of that Party, destroy any Confidential Information of that Party.

11.5 Confidential obligations survive

The obligations of this clause 11 will survive termination of this Agreement.

12. Relationship of the Parties

12.1 No partnership

Nothing in this Agreement shall make a Party the partner of any other Party nor except as expressly provided in this Agreement constitute any Party the agent or legal representative of any other or create any fiduciary relationship between them.

12.2 No authority to act

No Party shall have any authority to act on behalf of any other Party except as expressly provided in this Agreement. Where a Party acts on behalf of any other without authority such Party shall indemnify the other from any losses, claims, damages and liabilities arising out of any such act.

13. Notices

Any notice or other communication which must be given or made under or in connection with this Agreement:

- (a) must be in the English language;
- (b) must be in writing in order to be valid;
- (c) is sufficient if executed by the party giving, serving or making the notice or on its behalf by any attorney, director, secretary, other duly authorised officer or solicitor of such party;
- (d) will be deemed to have been duly given or made in relation to a person if it is delivered or posted by prepaid post to the address, or sent by email or facsimile to the number of that person set out in this Agreement (or at such other address or number as is notified in writing by that person to the other parties from time to time); and
- (e) will be deemed to be given or made:
 - (i) (in the case of prepaid post) on the fifteenth Business Day after the date of posting;
 - (ii) (in the case of facsimile) when the sender receives a transmission report confirming successful transmission where the facsimile is transmitted in full between 9.00 am and 5.00 pm on a Business Day, or otherwise, at 9.00 am on the next Business Day after the sender receives a transmission report confirming successful transmission;
 - (iii) (in the case of email) when the sender has received confirmation that the email has been sent and where the email is sent between 9.00 am and 5.00 pm on a Business Day, or otherwise, at 9.00 am on the next Business Day after the sender has confirmation that the email has been sent; and
 - (iv) (in the case of delivery by hand) on delivery if delivered between 9.00am and 5.00pm on a Business Day, or otherwise, at 9.00am on the next Business Day.

The facsimile number of Indo is +61 (08) 9368 1780; and

The facsimile number of Investor is: +62 21 5763362 with cc to +62 21 5761588.

14. General

14.1 Governing law

This Agreement is governed by and is to be construed according to the laws of Western Australia.

14.2 Jurisdiction

- (a) Each of the Parties irrevocably submits to and accepts generally and unconditionally the non-exclusive jurisdiction of the courts and appellate courts of Western Australia with respect to any legal action or proceedings which may be brought at any time relating in any way to this Agreement.
- (b) Each of the Parties irrevocably waives any objection it may now or in the future have to the venue of any action or proceedings, and any claim it may now or in the future have that the action or proceeding has been brought in an inconvenient forum.

14.3 Severability

Any provision of this Agreement which is illegal, void or unenforceable is only ineffective to the extent of that illegality, voidness or unenforceability, without invalidating the remaining provisions.

14.4 Amendments

This Agreement may not be modified, amended or otherwise varied except by a document in writing signed by or on behalf of each of the Parties.

14.5 Waiver

No waiver or indulgence by any Party to this Agreement is binding on the Parties unless it is in writing. No waiver of one breach of any term or condition of this Agreement will operate as a waiver of another breach of the same or any other term or condition of this Agreement.

14.6 Further acts

The Parties will promptly do and perform all further acts and execute and deliver all further documents required by law or reasonably requested by any other Party to carry out and effect the intent and purpose of this Agreement.

14.7 Approvals

Subject to any law to the contrary and unless this Agreement expressly provides otherwise, where the doing or execution of any act, matter or thing is dependent on the consent or approval of a Party, that consent or approval may be given or withheld in the absolute discretion of that Party.

14.8 Expenses

Unless otherwise expressed in this Agreement, each of the Parties will bear and pay its own expenses, including legal fees, costs and disbursements incurred by it in

connection with the preparation and execution of this Agreement and any subsequent consent, agreement, approval, waiver or amendment to this Agreement.

14.9 Set-off

Any undisputed amounts due and payable by any Party ("**first party**") to another ("**second party**") under this Agreement may be set-off against any other undisputed amount that may be due and payable on the same day to the first party by the second party. The Party tendering payment must also give a statement setting out details of the gross amount owing and all individual amounts set-off against that amount.

14.10 Merger

The rights and obligations of the Parties in respect of representations, warranties, undertakings and indemnities in this Agreement will be continuing representations, warranties, undertakings and indemnities and accordingly will not be merged or extinguished by or on the issue of Shares pursuant to this Agreement or be prejudiced or affected by Investor acceptance of the Shares under this Agreement, or by the payment of the whole or any part of the Subscription Amount, or any other money payable under this Agreement.

14.11 Power of attorney

- (a) Each attorney who signs this Agreement on behalf of a Party declares that the attorney has no notice from the party who appointed him that the power of attorney granted to him, under which the attorney signs this Agreement, has been revoked or suspended in any way.
- (b) Each Party represents and warrants to each other that its respective attorney or authorised officer who signs this Agreement on behalf of that Party has been duly authorised by that Party to sign this Agreement on its behalf and that authorisation has not been revoked.

14.12 Entire agreement

This Agreement constitutes the sole and entire agreement between the Parties in relation to the subscription by Investor for the Subscription Shares and contains all of the representations, warranties, undertakings and agreements of and between the Parties and the Parties accept that they rely on only those matters expressly set out in this Agreement as this Agreement supersedes all prior negotiations, contracts, arrangements or understandings with respect to the subject matter dealt with in this Agreement (except any agreement in writing by the Parties or their affiliates in relation to the use of the Subscription Amount). There are no representations warranties, undertakings or agreements between the Parties, expressed or implied, except as set out in this Agreement.

14.13 Language

This Agreement is drafted in the English language. If this Agreement is translated into any other language, the English language text shall prevail. All other documents provided under or in connection with this Agreement shall be in the English language, or accompanied by a certified English translation. If such document is translated into any other language, the English language text shall prevail unless the document is a constitutional, statutory or other official document.

14.14 Other remedies

Indo acknowledges that monetary damages alone would not be adequate compensation to Investor for Indo's breach of its obligation under clause 2(b) and that accordingly specific performance of that obligation, or an injunction preventing Indo from breaching that obligation, will be an appropriate remedy.

14.15 Counterpart

- (a) This Agreement may be executed in any number of counterparts and by the parties on separate counterparts. Each counterpart executed and delivered by a party constitutes the agreement of that party, but subject to the condition precedent that no party is bound by any such counterpart until all parties have executed and delivered a counterpart.
- (b) A party may execute and deliver a counterpart of this Agreement either by:
- (i) it or its solicitors effecting physical delivery of its executed counterpart to all other parties; or
 - (ii) it or its solicitors giving notice of its execution of its counterpart to all other parties by fax or electronic mail message:
 - (A) to which is attached a copy or a printable electronic image of the whole of the counterpart or so much of it as is necessary to identify it and establish that it has been executed; and
 - (B) which states that such fax or electronic mail message constitutes delivery of the counterpart as its agreement.
- (c) Where this Agreement is executed and delivered in counterparts, its date is taken to be the date on which the last of the parties to do so executes and delivers a counterpart and upon that event all such counterparts taken together are deemed to constitute one instrument.

Executed as an agreement.

Executed by Indo Mines Limited ACN)
009 245 210 in accordance with section)
127 of the *Corporations Act*:)
)

M. J. Haem
Signature of Director

MARTIN JOHN WACON
Name of Director in full

Executed by Rajawali Group)
International Limited under power of)
attorney dated 17 September 2012:)
)

[Signature]
Signature of Secretary/other Director

STACEY APOSTOLON
Name of Secretary/other Director in full

Name:

Title: Attorney-in-Fact

For personal use only

Executed as an agreement.

**Executed by Indo Mines Limited ACN
009 245 210 in accordance with section
127 of the Corporations Act.**

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)
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Signature of Director

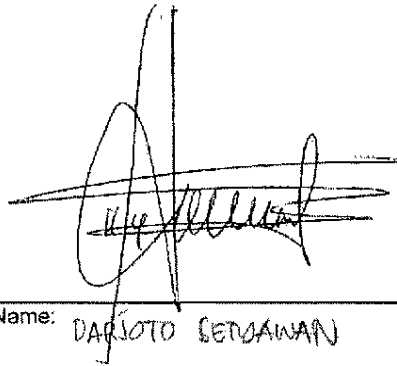
Signature of Secretary/other Director

Name of Director in full

Name of Secretary/other Director in full

**Executed by Rajawali Group
International Limited under power of
attorney dated 17 September 2012:**

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)
)



Name: DARJOTO SETIAWAN

Title: Attorney -in-Fact

For personal use only