



ANNOUNCEMENT TO THE AUSTRALIAN SECURITIES EXCHANGE: 29 July 2013

### **30 JUNE 2013 QUARTERLY REPORT**

During the quarter, the Company has continued to implement the business strategy outlined in the March quarterly report specifically focussing on:

- Cost control and conservation of the Company's strong cash position
- Re-submission of the Feasibility study
- Land acquisition for the permanent plant facilities
- Engineering
- Government permits

#### **Cost Control**

The Company has continued to implement systems and processes within its PT Jogja Magasa Iron's (JMI) business to minimise expenditure. All on site development work has ceased, as indicated in the March Quarterly, and operating expenditure has been restricted to a minimum.

A review of the Perth office has resulted in the transfer of all activities, other than corporate, to Indonesia, further streamlining the business. The Company has continued to strengthen the local team to increase the technical knowledge and build an effective working relationship with the local community and local shareholders to achieve the project goals.

#### **Submission of the Feasibility Study**

As previously announced, the preferred location for the Pig Iron plant was amended and as a result, JMI is required to resubmit its Feasibility Study to the Indonesian Government for approval. This approval represents an amendment to the Feasibility Study that was approved last year and does not impact the contract of work (COW). During the quarter, JMI received approval from the Government for the work plan and budget and will submit the amended Feasibility Study during the September quarter.

#### **Land Acquisition**

Land negotiations to secure the 225 Hectares required for the permanent plant facilities and infrastructure are progressing well with strong local support. The Company has continued to strengthen the local team and work closely with the local community to build an effective working relationship.

#### **Engineering**

JMI has continued to work through its processes to secure engineering services for the design and implementation of Phase 1 of the Jogjakarta pig iron project. Four internationally significant engineering companies were asked to submit proposals. Proposals have now been received from all companies and the process of final selection is well underway with an appointment expected to be made in the near future.

### **Government Permits**

The Company continues to engage with Government to achieve the necessary permits it requires and remains committed to installing down-stream processing and pig iron facilities.

### **Cash Position**

The Company remains in a strong position with cash reserves at 30 June of \$43.7 million. It continues to review opportunities, with the primary focus on those deposits that have the ability to be brought into production within a reasonably short time frame.

### ***Enquiries:***

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