



ANNOUNCEMENT TO THE AUSTRALIAN SECURITIES EXCHANGE: 28 APRIL 2017

## MARCH 2017 QUARTERLY ACTIVITIES REPORT

### HIGHLIGHTS

- **Continued support from majority shareholder**
- **Advancement of sale of interest in Sapex**
- **Continuation of negotiations with potential strategic partner to develop both beneficiation plant and furnace facility at Kulon Progo**

Activities for the Indo Mines Limited ('Indo Mines' or 'the Company') group during the March 2017 quarter included the following:

#### **Continued support from majority shareholder**

Indo Mines is pleased to announce the financial support of the Company's majority shareholder, Rajawali Corpora ('Rajawali'), as the Company progresses discussions with a potential strategic partner in developing a trial smelter facility at the Company's Kulon Progo project. A Letter of Support and financial assistance through two working capital facilities, one for US\$150,000 and one for US\$750,000, will be provided by Rajawali until 30 June 2017 to cover any working capital shortfall arising whilst negotiations are completed. Rajawali has consented to this support based on the advanced stage of the negotiations.

Finalisation of financial support documentation will allow the Company to release its half year report and at that point the Company expects to request the ASX to lift the suspension of trading of the Company's shares.

#### **Sale of interest in Sapex Oilfield Services Limited**

As previously stated, Indo Mines is in advanced negotiations to sell a portion of its holding in Sapex Oilfield Services Limited ('Sapex') – this is currently being progressed via a capital markets transaction and this is anticipated to be completed in May, at which point details will be provided to shareholders.

#### **Advancement of negotiations with potential strategic partner**

Indo Mines subsidiary, PT Jogja Magasa Iron ('PT JMI') and its local partner PT Jogja Magasa Mining have been in discussions with a potential strategic partner since September 2016. Although specific details cannot be provided at this stage, a basic outline of the potential deal structure is provided below.

ABN: 40 009 245 210

Level 2, 66 Hunter Street, Sydney, NSW, 2000

Tel: +61 2 9300 3377 Fax: +61 2 9221 6333

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First stage of the partnership will see development of a trial furnace facility to process Kulon Progo iron sands to finished steel. The strategic partner would finance and develop the furnace facility utilising their technology to process the iron sand concentrate. To provide feedstock to this facility PT JMI would develop a beneficiation plant.

Key advantages of this structure include the following;

1. Lower capital cost commitment and financial raising would be required from PT JMI.
2. Removes the need to obtain an export license for iron sand concentrate.
3. Allows retention of the existing Contract of Work and removes the need to covert to an IUPK license.
4. PT JMI can focus on the less technically sensitive mining and beneficiation rather than the hot-metal and steel production process.
5. The project is developed on a modular basis, and capacity can be increased as market conditions allow.

Enquiries: Arran Marshall, Chief Executive Officer  
Telephone: +62 815 17000123

Indo Mines Limited provides the following additional information in accordance with ASX Listing Rule 5.3.3.

Mining tenements held at the end of the quarter and their location

Project Name	Location	Area	Status	Interest Held
Kulon Progo iron sands project	Kabupaten Kulon Progo, Yogyakarta Region, Java, Indonesia	2,978 Ha	Granted in November 2008 under contract of work	70%

Mining tenements acquired during the quarter and their location

Not applicable.

Mining tenements disposed of during the quarter and their location

Not applicable.

Beneficial percentage interests held in farm-in or farm-out agreements at the end of quarter

Not applicable.

Beneficial percentage interests held in farm-in or farm-out agreements acquired or disposed of during the quarter

Not applicable.

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