



ANNOUNCEMENT TO THE AUSTRALIAN SECURITIES EXCHANGE: 31 July 2014

### 30 JUNE 2014 QUARTERLY REPORT

During the quarter, Indo Mines Limited (ASX: IDO) has continued with its strategy of assessing the viability of developing its pig iron project in Kulon Progo, Indonesia (Project) into a fully integrated mining and iron plant operation, to comply with the Indonesian Government value add laws.

Based on the process alternatives evaluated, and their subsequent economic evaluations, the final process route selected is based on iron sand mining and concentration, followed by SLRN Xtra™ direct reduction of iron and final SAF production of pig iron.

The Board has approved expenditure for a pre-feasibility study to be undertaken in relation to the technology option selected for the iron plant (Refer Figure 1), including the provision of an estimate of capital and operating costs. Plant capacity will be based on a staged development approach using multiple process lines. Hatch and Associates has been appointed to project manage this process in conjunction with the reduction technology provider Outotec.

Results from the Study are expected to be received during the September quarter.

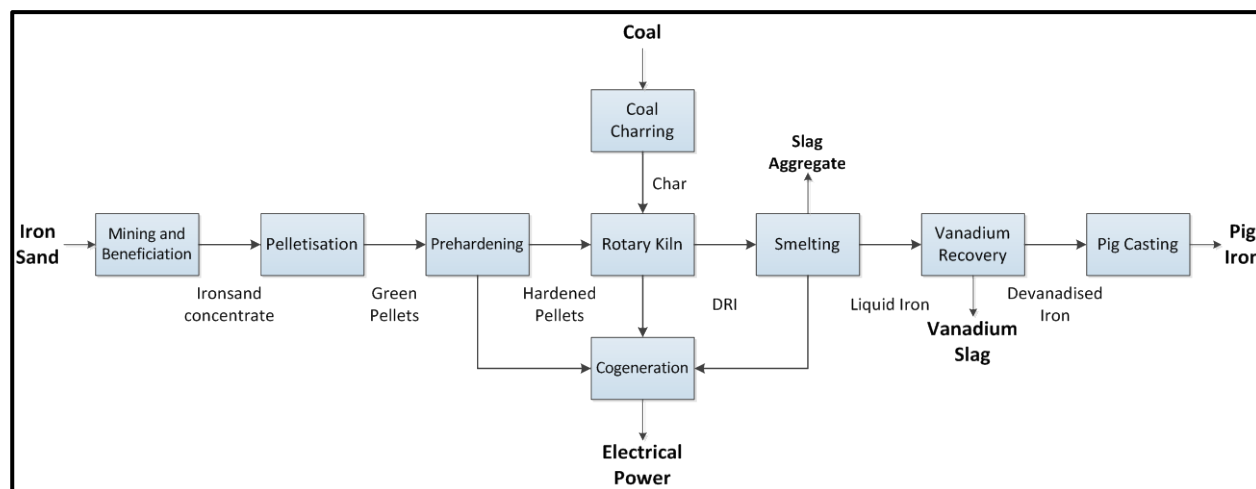


Figure 1 – Iron Plant

In conjunction with the Study, further testwork is being carried out to support the technology option proposed as well as assessing the potential coal sources to be used for reduction and co-generation of power.

Upon completion of the Study, the Company will undertake a financial analysis of the Project before making any decision to move forward with a bankable feasibility study.

The combined value of the US dollar fixed income portfolio that the Company invested in during the March quarter, together with cash reserves at 30 June was ~A\$20.2 million, the majority of which is held in US dollars.

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# Appendix 5B

## Mining exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10

Name of entity

**INDO MINES LIMITED**

ABN

40 009 245 210

Quarter ended ("current quarter")

30 June 2014

### Consolidated statement of cash flows

		Current quarter \$A'000	Year to date (12 months) \$A'000
<b>Cash flows related to operating activities</b>			
1.1	Receipts from product sales and related debtors	-	-
1.2	Payments for (a) exploration & evaluation	(2,871)	(20,920)
	(b) development	-	-
	(c) production	-	-
	(d) administration	(232)	(1,248)
1.3	Dividends received	-	-
1.4	Interest and other items of a similar nature received	26	626
1.5	Interest and other costs of finance paid	(85)	(346)
1.6	Income taxes paid	-	-
1.7	Other (provide details if material)	-	-
<b>Net Operating Cash Flows</b>		<b>(3,162)</b>	<b>(21,888)</b>
<b>Cash flows related to investing activities</b>			
1.8	Payment for purchases of:		
	(a) prospects	-	(50)
	(b) equity investments	-	-
	(c) other fixed assets	(74)	(1,754)
1.9	Proceeds from sale of:		
	(a) prospects	-	-
	(b) equity investments	-	-
	(c) other fixed assets	-	-
1.10	Loans to other entities	-	-
1.11	Loans repaid by other entities	-	-
1.12	Other	-	-
	- US Fixed Income Portfolio	-	(11,172)
	- Income from Fixed Income Portfolio	35	69
<b>Net investing cash flows</b>		<b>(39)</b>	<b>(12,907)</b>
1.13	Total operating and investing cash flows (carried forward)	<b>(3,201)</b>	<b>(34,795)</b>

+ See chapter 19 for defined terms.

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**Mining exploration entity quarterly report**

1.13	Total operating and investing cash flows (brought forward)	(3,201)	(34,795)
	<b>Cash flows related to financing activities</b>		
1.14	Proceeds from issues of shares, options, etc.	-	-
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Other (provide details if material)	-	-
	<b>Net financing cash flows</b>	-	-
	<b>Net increase (decrease) in cash held</b>	(3,201)	(34,795)
1.20	Cash at beginning of quarter/year to date	12,804	43,735
1.21	Exchange rate adjustments to item 1.20	(160)	503
1.22	<b>Cash at end of quarter</b>	9,443	9,443

**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 \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	96
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

Non-Executive Directors Fees for the quarter ended 31 March 2014 (fees are paid quarterly in arrears) and Executive Director salary.

**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

Not applicable

2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

Not applicable.

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**Financing facilities available**

*Add notes as necessary for an understanding of the position.*

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities	-	-
3.2 Credit standby arrangements	-	-

**Estimated cash outflows for next quarter**

	\$A'000
4.1 Exploration and evaluation	3,500
4.2 Development	-
4.3 Production	-
4.4 Administration	250
<b>Total</b>	<b>3,750</b>

**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 \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	7,443	10,304
5.2 Deposits at call	2,000	2,500
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
<b>Total: cash at end of quarter</b> (item 1.22)	<b>9,443</b>	<b>12,804</b>

**Interests in mining tenements**

*Disclosure in accordance with ASX Listing Rule 5.3.3*

1. Project/Tenements	Location	Held at end of quarter	Acquired during the quarter	Disposed during the quarter
Jogjakarta - Contract of Work	Indonesia	70%	0%	0%

2. There were no farm-in or farm-out agreements over any tenements.

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**Issued and quoted securities at end of current quarter**

*Description includes rate of interest and any redemption or conversion rights together with prices and dates.*

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1 <b>Preference securities</b> (description) Converting performance shares -Class E	20,000,000	Nil	Nil	N/a
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3 <b>+Ordinary securities</b>	538,026,598	538,026,598		
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs				
7.5 <b>+Convertible debt securities</b> (description) - Senior Secured Convertible Debenture with Anglo pacific Group plc	US\$4,000,000			
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7 <b>Options</b> (description and conversion factor) -Vendor Options	1,500,000	-	Exercise price \$0.20	Expiry date 1 October 2014
7.8 Issued during quarter				
7.9 Exercised during quarter				
7.10 Expired during quarter				

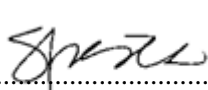
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7.11	<b>Debentures</b> (totals only)		
7.12	<b>Unsecured notes</b> (totals only)		

### Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 5).
- 2 This statement does ~~/does not~~\* (delete one) give a true and fair view of the matters disclosed.

Sign here:

  
.....  
(Director/Company secretary)

Date: 31 July 2014

Print name: Stacey Apostolou

### 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 "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 1022: Accounting for Extractive Industries* and *AASB 1026: Statement of Cash Flows* apply to this report.
- 5 **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.

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