



## QUARTERLY ACTIVITIES REPORT

30 June 2018

31 July 2018

IndiOre Ltd (the "Company" or "IndiOre") (ASX: IOR), is pleased to provide its quarterly activities report for the period ended 30 June 2018.

## JUNE QUARTER HIGHLIGHTS

- \$10 million placement was strongly supported by existing cornerstone investor First Samuel who committed an additional \$5 million.
- Placement is to fund expansion of the Kurnool wet beneficiation plant (Phase 3).
- Phase 3 expansion continues to advance with key agreements and appointments successfully negotiated and executed for the manufacture and supply of long lead items from China.
- Quarterly sales increased quarter-on-quarter, with sales for the June quarter of approximately 20,000t.
- Increased pricing and order volumes secured with key customers Minera Steel & Power Pvt Ltd ("Minera") and BMM Ispat Ltd ("BMM").
- Raymond Betros appointed Non-Executive Director.

## June Quarter Management Commentary

**IndiOre Managing Director and CEO, Cedric Goode commented:**

"The June quarter was highlighted by a number of key developments pertaining to the Phase 3 expansion which continue to advance.

The completion of the Share Placement during the quarter was vital towards accelerating the development of Phase 3, and it provides financial capability to complete the near-term tasks required.



The appointments of John Clayton as Project Manager and Essar Projects to oversee the engineering are critical milestones in ensuring that this project is delivered on budget, time and to high standards.

Pleasingly, we were able to establish a new sales record for the June quarter of approximately 20,000t.

Finally, we thank our shareholders for their support during this quarter and look forward to providing further updates in due course."

## **IRON ORE - INDIA**

### **KURNOOL IRON ORE BENEFICIATION PLANT**

#### **PHASE 3 WET PLANT EXPANSION**

The Company's Kurnool wet beneficiation plant (Phase 3 Expansion) aims to double the name plate production rate to ~400,000 ktpa of iron ore concentrate, with the expansion scheduled for commissioning in H1 2019.

#### ***\$10 MILLION PLACEMENT COMPLETE***

In May, the Company received firm commitments from institutional investors to raise A\$10 million through a \$0.014 (1.4c) per share (the "Placement"). Shares were issued under the LR 7.1 and 7.1A (Tranche 1), with the balance, Tranche 2, issued on 5 July 18 subsequent to shareholder approval being granted at the General Meeting held on 28 June 18.

Funds received from the Placement will be deployed directly towards the Phase 3 expansion.

The Company has estimated it will cost approximately A\$8.5 million to complete the expansion, the cost of which will also include retrofitting components of the existing Phase 2 plant which the Company expects will significantly improve operational efficiencies of the expanded facility.

#### ***PHASE 3 OPERATIONAL OVERVIEW: KEY ON-SITE APPOINTMENTS***

During the quarter, the Company finalised a number of key appointments to assist in the with the Phase 3 expansion. The Company appointed John Clayton as Project Manager to oversee the Expansion. John has over 13 years' experience in the energy and resources industries and has been involved in design, construction, commissioning, and operations across a variety of processing plants.

The Company also engaged leading engineering procurement and construction company Essar Projects Limited ("Essar Projects") to undertake the detailed engineering and design of the expansion project.

Essar Projects is an integral part of the Essar Group which is a global conglomerate and a leading player in the sectors of metals and mining, energy, infrastructure and services. With operations in more than 25 countries across five continents, the group employs 8,000 people and has revenues of over US\$15 billion.

In addition to the detailed engineering design, Essar Projects has established a fully-resourced site office to closely manage the delivery of the Phase 3 Expansion.

**PHASE 3 OPERATIONAL OVERVIEW: KEY AGREEMENTS SETTLED**

Post-quarter end, the Company successfully finalised agreements for the manufacture and supply of the long lead items from China. This includes large-scale ball mills and the magnetic separators. It is anticipated long lead items will be delivered to site over Q3 and Q4 2018.

In addition to the purchasing activities, the Company has applied for Chinese low cost (6.83% pa) export credit financing of approximately A\$1.1 million, having progressed through the first and second stages of the credit financing process.

The Company also completed a review of the business focused on how best to accelerate and de-risk the timelines and costs associated with targeting a Q1 2019 commissioning.

The expansion also includes retrofitting components of the existing Phase 2 plant with improved technology and process controls which is expected to significantly improve operational efficiencies of the expanded facility.

**SALES**

During the quarter, the Company secured improved sales pricing and increased order volumes with two of its key customers Minera Steel & Power Pvt Ltd ("Minera") and BMM Ispat Ltd ("BMM").

Following negotiations conducted during the quarter, the Company received a 10,000 tonne and 8,000 tonne order to be sold at a 4% and 7% premium to Minera and BMM's previous orders respectively. In addition, these quantities exceed the standard 4,000 tonne norms.

The improved commercial terms were a strong reflection of the Company's growing reputation as a producer of quality filter cake product.

Quarterly sales have increased quarter on quarter, with sales for this quarter of approximately 20,000t. The mining contractor mobilised during the course of the quarter, however was slower than desired and impacted by equipment operating availability, affecting raw material deliveries to the Phase 2 wet beneficiation plant. The corresponding lack of feed supplied to the plant by the mining contractor affected plant utilisation having an impact on the performance of the Phase 2 Kurnool plant in June and subsequent June sales.

**CORPORATE****CHANGE OF REGISTERED OFFICE**

As announced on 17 April, the Company changed its registered office to 18 Sangiorgio Court, Osborne Park WA 6017.

**GENERAL MEETING**

On 28 June 2018, the Company held a General Meeting of Shareholders. All resolutions were passed on a show of hands.



### TRANCHE 2 PLACEMENT APPROVED BY SHAREHOLDERS

At the General Meeting on 28 June 2018, the Company's shareholders approved the issue of Tranche 2 Placement shares. On 5 July, the Tranche 2 share issue was completed.

### SHARE CONSOLIDATION APPROVED BY SHAREHOLDERS

At the General Meeting on 28 June 2018, the Company's shareholders approved the Share Consolidation on a 15:1 ratio. On 16 July, the Share Consolidation process was completed and normal trading of securities resuming.

### COMPANY NAME CHANGE APPROVED BY SHAREHOLDERS

At the General Meeting on 28 June 2018, the Company's shareholders approved to change the name to IndiOre Ltd, aligning the Company's business focus and operations. On 17 July, the Company's name change was affected, with ASX code changed to "IOR".

### NON-EXECUTIVE DIRECTOR APPOINTED

On April 19, the Company appointed Raymond Betros as a non-executive director to the board.

Mr Betros is a qualified Chemical Engineer who has extensive experience in senior executive roles specialising in international business, project development and technical management in mining and oil and gas.

### JOINT COMPANY SECRETARY APPOINTED

The Company appointed Tim Lee as Joint Company Secretary on May 18.

Mr Lee has over 13 years' experience in the corporate sectors, with extensive experience in the areas of corporate finance, equity capital markets, corporate governance statutory and regulatory reporting and compliance, dealing with the ASX, ASIC and other authorities for both listed and private corporations.

### INTERESTS IN MINING TENEMENTS

Project/Tenement	Location	Held at end of quarter	Acquired during the quarter	Disposed/Lapsed during the quarter
Kuja	Andhra Pradesh, India	Owned	100%	-
Mangal	Andhra Pradesh, India	Owned	100%	-
AP 23	Andhra Pradesh, India	Mining rights via Royalty based agreement	100%	-
AP 26	Andhra Pradesh, India	Mining rights via Royalty based agreement	100%	-
AP 27	Andhra Pradesh, India	Mining rights via Royalty based agreement	100%	-
AP 3	Andhra Pradesh, India	Mining rights via Royalty based agreement	100%	-



Regards,

**Timothy Lee**  
**Joint Company Secretary**  
**IndiOre Ltd**

**For more information:**

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**Released through Sam Burns, Six Degrees Investor Relations, +61 0400 164 067**

## Appendix 5B

### Mining exploration entity and oil and gas exploration entity quarterly report

**Name of entity**

INDIORE LTD

**ABN**

32 057 140 922

**Quarter ended ("current quarter")**

30 June 2018

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date (12 months) \$A'000</b>
<b>1.</b>	<b>Cash flows from operating activities</b>		
1.1	Receipts from customers	928	1,664
1.2	Payments for		
	(a) exploration & evaluation	-	-
	(b) development	(1,864)	(4,504)
	(c) production	-	-
	(d) staff costs	(469)	(1,834)
	(e) administration and corporate costs	(143)	(1,548)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	6	70
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Research and development refunds	-	-
1.8	Other (provide details if material)	-	-
<b>1.9</b>	<b>Net cash from / (used in) operating activities</b>	<b>(1,542)</b>	<b>(6,152)</b>

<b>2.</b>	<b>Cash flows from investing activities</b>		
2.1	Payments to acquire:		
	(a) property, plant and equipment	(16)	(124)
	(b) tenements (see item 10)	-	-
	(c) investments	-	-

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date (12 months) \$A'000</b>
	(d) other non-current assets	-	-
2.2	Proceeds from the disposal of:		
	(a) property, plant and equipment	-	-
	(b) tenements (see item 10)	-	-
	(c) investments	-	-
	(d) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
<b>2.6</b>	<b>Net cash from / (used in) investing activities</b>	<b>(16)</b>	<b>(124)</b>

<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of shares	9,108	14,108
3.2	Proceeds from issue of convertible notes	-	-
3.3	Proceeds from exercise of share options	-	958
3.4	Transaction costs related to issues of shares, convertible notes or options	-	-
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>	<b>9,108</b>	<b>15,066</b>

<b>4.</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1	Cash and cash equivalents at beginning of period	2,215	1,049
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(1,542)	(6,152)

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date (12 months) \$A'000</b>
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(16)	(124)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	9,108	15,066
4.5	Effect of movement in exchange rates on cash held	(14)	(88)
<b>4.6</b>	<b>Cash and cash equivalents at end of period</b>	<b>9,751</b>	<b>9,751</b>

<b>5.</b>	<b>Reconciliation of cash and cash equivalents</b> at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	<b>Current quarter \$A'000</b>	<b>Previous quarter \$A'000</b>
5.1	Bank balances	9,751	2,215
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
<b>5.5</b>	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>9,751</b>	<b>2,215</b>

**6. Payments to directors of the entity and their associates**

6.1 Aggregate amount of payments to these parties included in item 1.2

6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3

6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2

<b>Current quarter \$A'000</b>
168
-

Wages, superannuation and car lease.



<b>7. Payments to related entities of the entity and their associates</b>	<b>Current quarter \$A'000</b>
7.1 Aggregate amount of payments to these parties included in item 1.2	-
7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3	-
7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2	

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<b>8. Financing facilities available</b> <i>Add notes as necessary for an understanding of the position</i>	<b>Total facility amount at quarter end \$A'000</b>	<b>Amount drawn at quarter end \$A'000</b>
8.1 Loan facilities	-	-
8.2 Credit standby arrangements	-	-
8.3 Other (please specify)	-	-

8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.

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<b>9. Estimated cash outflows for next quarter</b>	<b>\$A'000</b>
9.1 Exploration and evaluation	-
9.2 Development (inc PPE)	4,684
9.3 Production	-
9.4 Staff costs	389
9.5 Administration and corporate costs	421
9.6 Other (revenue inflows & \$10m Placement Tranche 2 approved by shareholders at EGM 28 June 2018, \$ received July 18)	(1,043)
<b>9.7 Total estimated cash outflows</b>	<b>4,451</b>

## Mining exploration entity and oil and gas exploration entity quarterly report

10.	Changes in tenements (items 2.1(b) and 2.2(b) above)	Tenement reference and location	Nature of interest	Interest at beginning of quarter	Interest at end of quarter
10.1	Interests in mining tenements and petroleum tenements lapsed, relinquished or reduced	-	-	-	-
10.2	Interests in mining tenements and petroleum tenements acquired or increased	-	-	-	-

### Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Sign here: Timothy Lee  
(Joint Company Secretary)

Date: 31 July 2018

Print name: Timothy Lee

### 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 that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.