

4 September 2018

## Company & Phase 3 Expansion Update

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### Key Points:

- Review of detailed design and engineering work provides revised definitive capital forecast of A\$11m to complete Phase 3 expansion
  - Process improvements and operability review has improved design availability and throughput
  - Additional capital requirement to be fully-funded via A\$6m convertible note facility from existing cornerstone investor First Samuel
  - Board and management restructuring – resignation of Managing Director / CEO Mr. Cedric Goode and Non-Executive Chairman Mr. Jock Muir
  - Mr. Peter Richards appointed Non-Executive Chairman effective immediately
  - Long lead items ordered from China with fabrication underway – first items due to arrive on site Q4 2019
  - Phase 3 expansion remains on-track for commissioning H1 2019
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IndiOre Limited (ASX: IOR) ("IOR" or "the Company") is pleased to provide an update on the Phase 3 expansion project ("the Expansion") currently being undertaken at the Company's Kurnool wet beneficiation plant in India.

### Phase 3 Expansion Update

Following a review of the detailed design and engineering work, IOR has updated the forecast capital requirement to complete the Expansion to A\$11 million. This represents an increase from the previously advised internal estimate of A\$8.5 million (see ASX release dated 14 May 2018).

The detailed design and engineering work program being undertaken by Essar Projects Limited ("Essar") is expected to be completed this month.

The plant design and capital review outlined a number of critical learnings from Phase 2 that have subsequently been included in the new cost estimate. A specific focus on control systems, automation and operability improvements will see a significant improvement in designed availability, plant throughput and finished product grades and yields.

The project schedule for the Expansion remains on-track with commissioning set to be undertaken in H1 2019. A number of key long lead items have now been ordered from

Chinese manufacturers with fabrication underway. Wet and dry drums ("LIMS") and vertical high intensity separators ("WHIMS") are expected to arrive on site in November, with the Ball Mills due for arrival in December 2018.

The Company is also assessing a number of civil, structural and contractor tenders to undertake the next phase of the Expansion and associated mining and plant activities.

Further updates on the awarding of these contracts will be advised in due course.

### **A\$6M Funding Solution Secured**

IndiOre is also pleased to advise that it has secured an additional \$6 million via a unsecured convertible note facility from current major shareholder First Samuel which along with existing cash reserves will underpin the completion of the Phase 3 expansion project and provide working capital to support commissioning. Key terms of the facility:

- Term: 3 years facility (repayable early at Company's discretion)
- Interest rate: 10% pa. compounding and accruing
- End of term payment: +A\$1m (to face value)
- End of term payment amount (at any stage up to 3 years): face value + interest accrued + A\$1m payment
- End of 3-year term payment form either: Cash or shares (Company discretion);
  - (a) Shares: the share amount will be determined by then share price (1-month VWAP immediately before end of term) less a 15% discount;
  - (b) Cash: as per the end of term payment amount above.
- Early repayment form: Cash only – unless directed by noteholder (at which point Company can elect shares as per the end of term details)
- Tranches: in draw down amounts of A\$2m, A\$2m, A\$1m and A\$1m made available within 5 days' notice from the Company
- The notes are not convertible into shares until the Company has obtained approval from its members. The Company intends to obtain shareholder approval at the next annual general meeting of shareholders.

**IndiOre's Non-Executive Chairman, Peter Richards commented,** "This latest round of funding provided by First Samuel is another significant vote of confidence in the Company's direction and operational capabilities. I would like to take this opportunity to thank First Samuel for their ongoing support, and we look forward to rewarding their commitment.

"With a clearly defined development pathway and supporting timeline now in place, the Board remains committed to the prudent deployment of funds to ensure the delivery of the Phase 3 expansion project safely, on time and on budget."

### **Board and Management Changes**

The Company also advises that Managing Director and Chief Executive Officer Mr. Cedric Goode has tendered his resignation effective immediately due to personal reasons. In addition, Mr Jock Muir has resigned as Non-Executive Chairman effective immediately and has been replaced in the role by Non-Executive Director Mr. Peter Richards.



IOR wishes to advise that it is currently in the processing of appointing a new Chief Executive Officer and will provide a further update on this process in due course.

The relevant appendix 3Z's are attached to this announcement.

**Commenting on the Board changes, Peter Richards said,** "Firstly, on behalf of the Board and our shareholders I would like to express our sincere thanks and gratitude to Cedric for his unwavering commitment and dedication during his tenure. Under his stewardship, the foundations of a very robust business have been established and we wish him all the very best in the future.

"I would also like to thank Jock Muir for his input and guidance as he too has played a key role in driving the business to where it is today.

"Looking ahead, it is exciting to be assuming the role of Chairman at this critical juncture in the Company's development and I have full confidence in our Indian management, staff and project consultants, to deliver on our objective to become a leading iron ore concentrate producer in India."

**-ENDS-**

**For further information please contact:**

Sean Henbury / Tim Lee  
Company Secretary  
IndiOre Ltd  
Ph: +61 8 6165 4120

**Released through Sam Burns, Six Degrees Investor Relations, +61(0) 400164067**

# Appendix 3Z

## Final Director's Interest Notice

*Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.*

Introduced 30/9/2001.

<b>Name of entity: INDIORE LTD</b>
<b>ABN: 32 057 140 922</b>

We (the entity) give ASX the following information under listing rule 3.19A.3 and as agent for the director for the purposes of section 205G of the Corporations Act.

<b>Name of director</b>	CEDRIC FRASER GOODE
<b>Date of last notice</b>	6 July 2018
<b>Date that director ceased to be director</b>	31 August 2018

### Part 1 – Director's relevant interests in securities of which the director is the registered holder

*In the case of a trust, this includes interests in the trust made available by the responsible entity of the trust*

Note: In the case of a company, interests which come within paragraph (i) of the definition of "notifiable interest of a director" should be disclosed in this part.

<b>Number &amp; class of securities</b>
-

+ See chapter 19 for defined terms.

## Appendix 3Z

### Final Director's Interest Notice

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#### Part 2 – Director's relevant interests in securities of which the director is not the registered holder

Note: In the case of a company, interests which come within paragraph (ii) of the definition of "notifiable interest of a director" should be disclosed in this part.

*In the case of a trust, this includes interests in the trust made available by the responsible entity of the trust*

<b>Name of holder &amp; nature of interest</b>	<b>Number &amp; class of securities</b>
Note: Provide details of the circumstances giving rise to the relevant interest	Indirect  Cedric Fraser Goode and Kylie Nicole Mann ATF (Goode Family A/C) 2,170,741 Fully Paid Ordinary shares (post share consolidation approved by shareholders on 28 June 2018)  (Goode Family Super Fund A/C) (controlled entities of Mr Goode) 1,407,199 Fully Paid Ordinary shares (post share consolidation approved by shareholders on 28 June 2018)

#### Part 3 – Director's interests in contracts

<b>Detail of contract</b>	-
<b>Nature of interest</b>	-
<b>Name of registered holder (if issued securities)</b>	-
<b>No. and class of securities to which interest relates</b>	-

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<b>Name of entity: INDIORE LTD</b>
<b>ABN: 32 057 140 922</b>

We (the entity) give ASX the following information under listing rule 3.19A.3 and as agent for the director for the purposes of section 205G of the Corporations Act.

<b>Name of director</b>	JOHN MUIR
<b>Date of last notice</b>	4 May 2017
<b>Date that director ceased to be director</b>	31 August 2018

### Part 1 – Director's relevant interests in securities of which the director is the registered holder

*In the case of a trust, this includes interests in the trust made available by the responsible entity of the trust*

Note: In the case of a company, interests which come within paragraph (i) of the definition of "notifiable interest of a director" should be disclosed in this part.

<b>Number &amp; class of securities</b>  Nil
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*In the case of a trust, this includes interests in the trust made available by the responsible entity of the trust*

<b>Name of holder &amp; nature of interest</b>	<b>Number &amp; class of securities</b>
Note: Provide details of the circumstances giving rise to the relevant interest	John & Joanna Margaret Muir <Muir Family Super Fund A/C>  483,334 fully paid ordinary shares (post share consolidation approved by shareholders on 28 June 2018)

#### Part 3 – Director's interests in contracts

<b>Detail of contract</b>	N/A
<b>Nature of interest</b>	N/A
<b>Name of registered holder (if issued securities)</b>	N/A
<b>No. and class of securities to which interest relates</b>	N/A

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