

7 January 2019

## Interim Update

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IndiOre Ltd (ASX: IOR) is providing the following update regarding the Company's Iron Ore operations in Andhra Pradesh, India.

The Company has now completed a drilling program aimed at providing confidence in the resources available to underpin the mine plan associated with the P3 process plant expansion. Drilling was carried on two mining leases owned by IndiOre and 3 areas on which the Company has agreements with Lease Owners. One area previously considered a likely location to include in mine plans was not drilled due to lack of permission to access the area.

965m of reverse circulation drilling was undertaken with typical hole spacing of approximately 50m. Drilling was typically undertaken down to depths of around 20m. This spacing and depth was determined as a suitable first pass required to delineate ore of sufficient volumes to justify mining within a distance from the surface that would allow economic strip ratios, based on the style of mineralisation generally seen in the area. Target ore grade was a function of distance from the process plant and ranged from 35% Fe within tenements adjacent to the plant, through to 45% Fe on the furthest tenements.

Disappointingly, the drilling did not intersect any mineralisation of adequate grade or thickness to justify mining on any of the project areas. Furthermore, drilling and associated geological recognisance did not identify any information that would justify further expense on the projects, particularly given the limited size of each tenement.

As a consequence, the company has immediately cancelled the P3 project and has begun the process of dismantling the process plant and site equipment, reducing staff numbers and remediating the sites.

The company has initiated an independent review in both Australia and India into the history that has led to the decision to build the project, in particular the P3 expansion, without sufficient defined resources. The review will be made available to the relevant regulators if necessary.

Management is currently working with equipment suppliers to terminate purchase orders where possible and sell or safeguard newly purchased capital items. This process is expected to be largely completed over the coming weeks at the end of which, the Company will confirm its financial position. First Samuel has provided a verbal undertaking to leave the \$6 million draw-down facility previously provided to the Company by them in place, subject to agreement into the strategy going forwards post this significant change.

The Company is now in discussions and due diligence on a number of projects, both in India and Australia, with the viewpoint of mobilising the existing and new plant and



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equipment for a positive economic outcome for the Company in the short to medium term.

Due to the material nature of both the events that have unfolded in India and the discussions regarding other projects, the Company wish to keep its shares suspended from trading until more certainty has been achieved on both fronts. At this stage the Company can not give a precise date for the lifting of the suspension, though will make a further announcement to inform the market of progress by the 28<sup>th</sup> of January 2019.

**-ENDS-**

**For further information please contact:**

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