



ANNOUNCEMENT TO THE AUSTRALIAN SECURITIES EXCHANGE: 29 JULY 2015

JUNE 2015 QUARTERLY ACTIVITIES REPORT

HIGHLIGHTS

- **Near completion of Definitive Feasibility Study Stage I at Kulon Progo iron sands project**
- **Receipt of R&D Tax Incentive refund of \$1,266,608 for the 2014 financial year**

June 2015 quarter activities for the Indo Mines Limited ('Indo Mines') group saw near completion of Definitive Feasibility Study ('DFS') stage I at the pig iron project in Kulon Progo, Indonesia, with preparations being made for DFS stage II. Studies that have been completed include the Equator Principle Standard ('EPS') GAP analysis, final deliverables of the Basic Engineering Design ('BED') for the iron sand beneficiation plant and feedback from Outotec on pelletisation testwork for the iron sand concentrate.

Over the past month Indo Mines has been working with Outotec on a DFS proposal for the iron making facility for production of pig iron and vanadium by product. This study will provide basic engineering design that is of a 'bankable' standard with appropriate project capital and operating costs. A central focus of this study is an improvement in vanadium recovery which is an essential revenue stream for the economic feasibility of the project in the current steel market environment.

Significant pilot scale confirmatory test work will also be undertaken in Pori, Finland and Frankfurt, Germany, for the pelletisation, induration, reduction and smelting process. The reduction process will be focused on the Outotecs' SL/RN Xtra technology while the smelting process will be focused on Outotecs' circular open bath submerged arc furnace technology.

Indo Mines has also received a proposal from Hatch Consultants to provide a feasibility study for the design of the co-generation plant with additional coal fire powered boiler. This study will enable negotiations with third parties willing to develop the plant. Additionally a water source trade off study will be undertaken to identify the most reliable and cost effective source of water for the iron and co-generation plant.

PT Earthworx Indonesia has been appointed to upgrade the current JORC iron sand resource report to 2012 JORC reporting standards.

Discussions with potential off-takers of both pig iron and vanadium slag concentrate have taken place and are ongoing. This, and the creditworthiness of potential off-takers, is a critical path item for successful raising of equity and Export Credit Agency debt financing.

Receipt of R&D Tax Incentive Refund

During the quarter, the Company received an R&D Tax Incentive refund of \$1,266,608 for the 2014 financial year. The R&D Tax Incentive is an Australian Government program under which companies receive cash refunds for 45% of eligible expenditure on research and development. The incentive refund results from expenditure on advancing Indo Mines' Kulon Progo iron sands project.

Enquiries: Arran Marshall, Chief Executive Officer
Telephone: +62 8777-0000-456

Additional ASX Listing Rule Information

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.