



ANNOUNCEMENT TO THE AUSTRALIAN SECURITIES EXCHANGE: 30 OCTOBER 2015

SEPTEMBER 2015 QUARTERLY ACTIVITIES REPORT

HIGHLIGHTS

- **Final signing of Definitive Feasibility Study ('DFS') Stage II with Outotec at Kulon Progo iron sands project**
- **Down payment received on sale of the Vertimill for US\$750,000**
- **Release of updated Resource Estimate for Kulon Progo project**

September 2015 quarter activities for the Indo Mines Limited ('Indo Mines') group was marked by the signing of DFS proposal with Outotec for the iron making facility to produce pig iron and vanadium by product. This detailed study will provide a basic engineering design that is of a 'bankable' standard with appropriate project capital and operating costs. The focus of this study is an improvement in both capital and operating expenditures of the pig iron plant and an improvement in vanadium recovery which is an essential revenue stream for the economic feasibility of the project.

This study will include significant pilot scale confirmatory test work, which shall 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 been working with Hatch Consultants to provide a feasibility study for the design of the co-generation plant with 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.

Discussion with potential strategic investors for the co-generation plant and coal fired powered boiler have taken place and are ongoing. This will be a critical path to ensure the power availability for the beneficiation plant and pig iron plant.

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.

Down Payment received on sale of the Vertimill

During the quarter, the Company has received a down payment of US\$37,500 from A.M. King Industries Inc. for the sale of a Vertimill from the total sale amount of US\$750,000.

Updated Resource Estimate

During the quarter Indo Mines announced the completion of a Mineral Resource estimate, reported in accordance with the requirements of the JORC Code (2012 edition) for its 70% owned Kulon Progo iron sands project.

A summary of the Resource estimate is as follows.

Block	Stratigraphy	Category	Volume	Dry Tonnes	Fe	TiO ₂	V ₂ O ₅
			(,000 m ³)	(,000 t)	(%)	(%)	(%)
Resource Block	Surface Sand	Measured	29,044	55,370	12.56	1.65	0.06
		Indicated	77,800	150,600	14.17	1.87	0.07
		Total	106,900	206,000	13.74	1.81	0.07
Mining Boundary	Surface Sand	Measured	22,015	42,079	12.37	1.62	0.06
		Indicated	67,900	131,600	14.15	1.87	0.07
		Total	89,900	173,700	13.72	1.81	0.07

Note: The Resource Block is defined as all areas of the Resource defined within the concession by the exploration drilling at a 9% Total Fe cut-off. The Mining Boundary is defined as the Resource Block, minus a 200-metre buffer zone (required by Indonesian regulations) between the high tide mark and the allowed mining area boundary at a 9% Total Fe cut-off.

In addition, there are Resources within the concession hosted within the Gravel underlying the Surface Sand. This gravel layers also contains lower grades of Total Fe. The Resource estimate for the Gravel horizon is set out in the following table.

Block	Stratigraphy	Category	Volume	Dry Tonnes	Fe	TiO ₂	V ₂ O ₅
			(,000 m ³)	(,000 t)	(%)	(%)	(%)
Resource Block	Gravel	Indicated	188,500	327,600	7.22	0.90	0.03
Mining Boundary	Gravel	Indicated	150,300	261,900	7.23	0.90	0.03

Note: The Resource Block is defined as all areas of the Resource defined within the concession by the exploration drilling at a 5% Total Fe cut-off. The Mining Boundary is defined as the Resource Block, minus a 200-metre buffer zone (required by Indonesian regulations) between the high tide mark and the allowed mining area boundary at a 5% Total Fe cut-off.

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Statement of Compliance

Information that relates to the Resource of the Kulon Progo project was previously reported to the ASX on 29 October 2014 and is available to view on the Company's website at www.indomines.com.au. The Company confirms that it is not aware of any new information or data that materially affects the information or supporting documentation included in the original market announcement. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcement.

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.