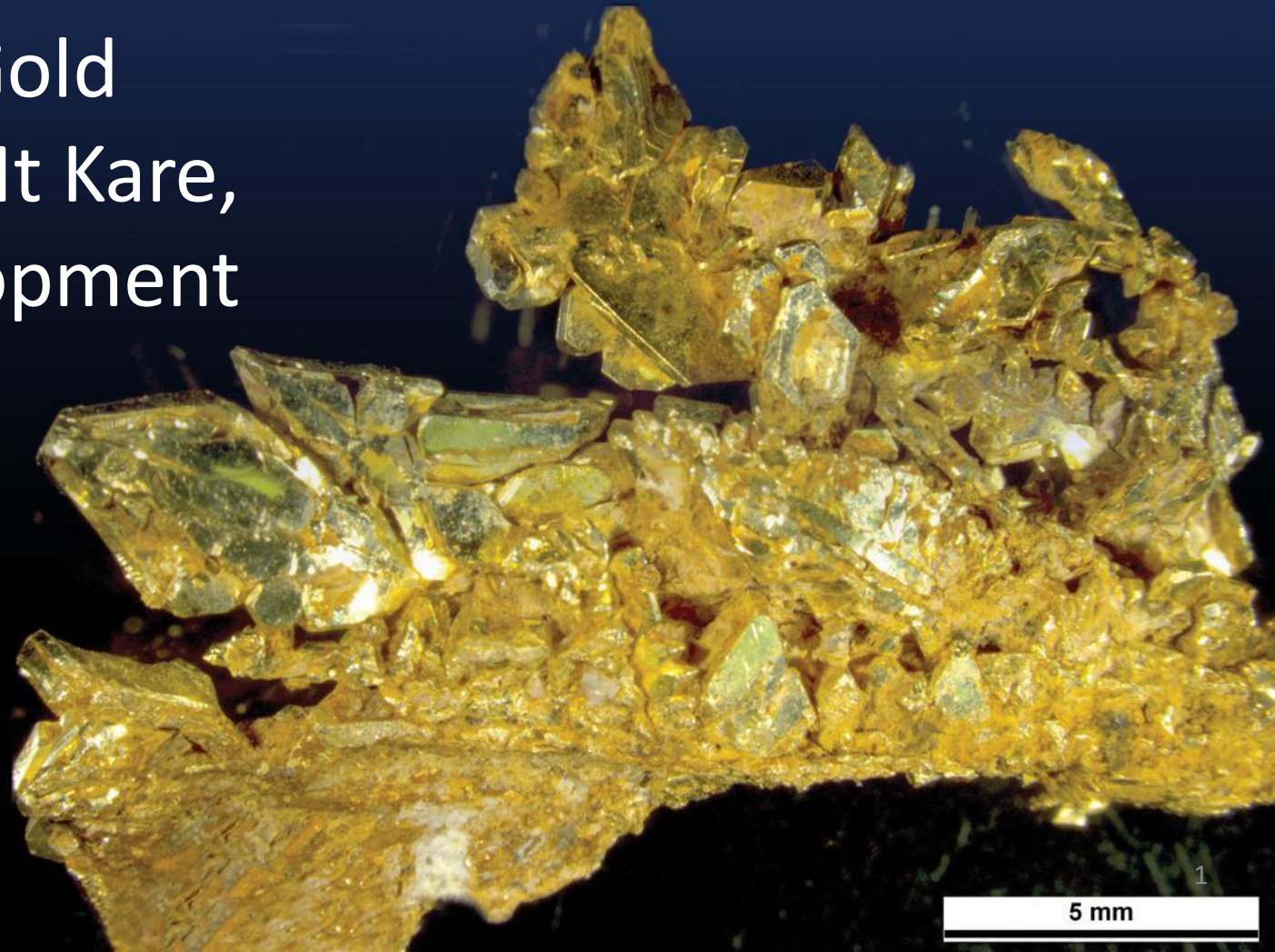


# indochine

ASX:IDC IDC AU

## 'Bonanza' Gold Catapults Mt Kare, PNG Development



March, 2013

5 mm

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The Pre-Feasibility Study (PFS) results are indicative only. They are based on assumptions considered reasonable by Indochine and its external consultants, which may not all be ultimately achieved. Technical and economic estimates in the PFS are prepared to varying confidence of accuracies with an expectation of overall accuracy of  $\pm 30\%$ . It should be noted that Indochine is not declaring an ore reserve estimate as part of the PFS, with this work being scheduled for the BFS. The PFS has scheduled production based on the December 2011 JORC Resource with expected mining parameters applied. The Company expects that the drilling undertaken, awaiting assay results, will aid in the future conversion of a reasonable proportion of the Resource material to Indicated status such that this can then be considered for conversion to an ore reserve as part of the BFS, which may not be ultimately achieved. In accordance with relevant regulations governing the disclosure of mineral projects, readers are cautioned that scheduled production based on resource material is considered speculative.

## Competent person statement

Anthony W. Burgess, a qualified consultant for Indochine Mining Limited, is a member of the Australasian Institute of Mining and Metallurgy and has sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activity undertaken, being reported herein as Exploration Results, to qualify as a Competent Person as defined in the 2004 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (The JORC Code, 2004 Edition). Anthony W. Burgess has consented to the public reporting of these statements and results and the form and context in which they appear.

- Exciting flagship asset with world class potential - 2.1 M oz Au Eq and growing
- Ongoing financial backing from some of the world's largest funds
- Project located in PNG Highlands - Highest concentration of world class gold deposits
- Pre-feasibility study completed - Robust economics with substantial upside
- Bonanza gold zones confirmed - Significantly enhancing project economics
- Experienced Board and management with significant in-country expertise

**Compelling investment case – Project now entering development phase**

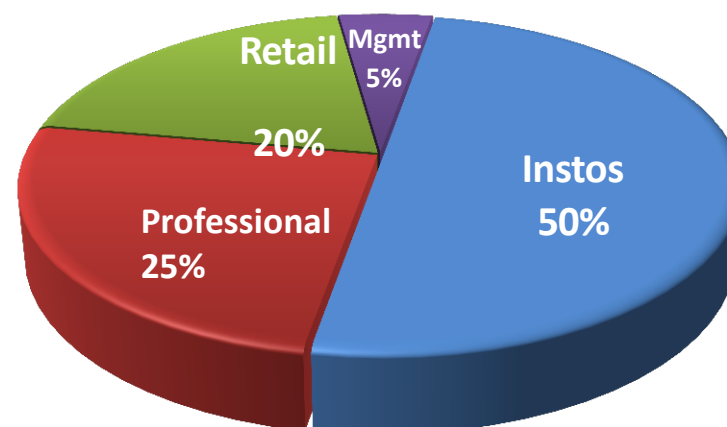
## Capital Structure

ASX Code	IDC
Market Cap	A\$80 - 100M
Shares on Issue	786M
Cash	
(30 Dec '12)	A\$3.3 M
Capital Raising Jan. '13	A\$7 M

## Major Shareholders

BakerSteel Capital	10.6%
BlackRock*	8.2%
Genesis Asset Management	7.7%
Capital Group*	4.9%
Och-Ziff	4.6%

\* One of top ten global funds



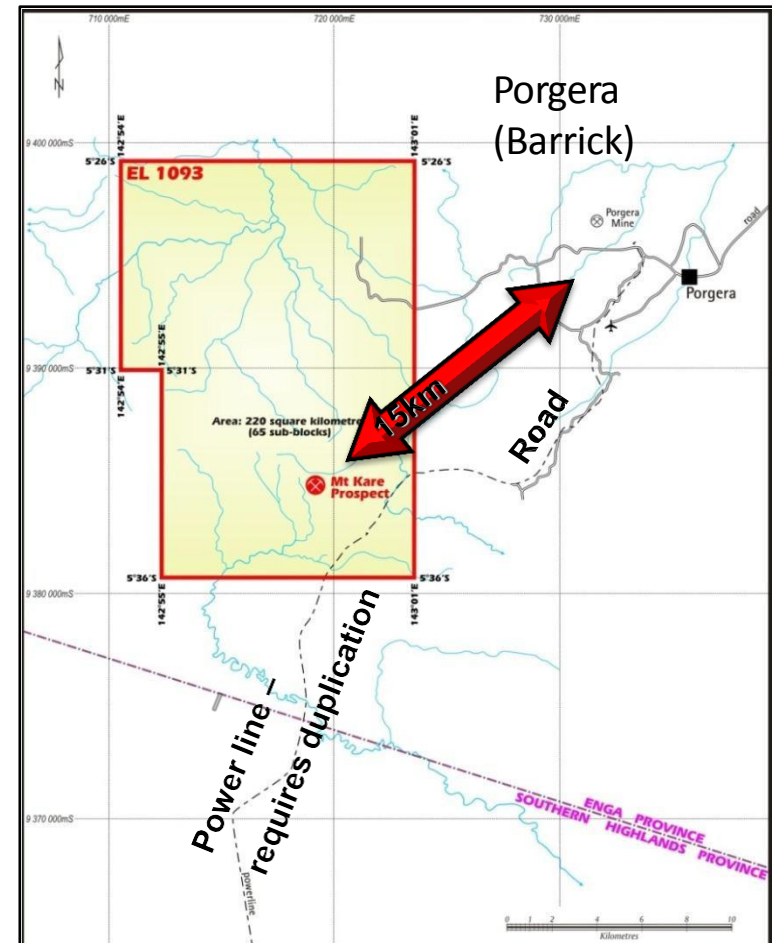
# Mt Kare Project Overview

- JORC resource: 28.3Mt @ 1.9g/t Au, 22g/t Ag for 2.13 M oz Au Eq
- High grade zone: 5.9Mt@ 3.7 g/t Au, 30g/t Ag for 800,000 oz Au Eq
- PNG/West Papua is host to gold deposits totaling 250 M oz
- Adjacent to a top 10 mega mine
- Near to existing infrastructure



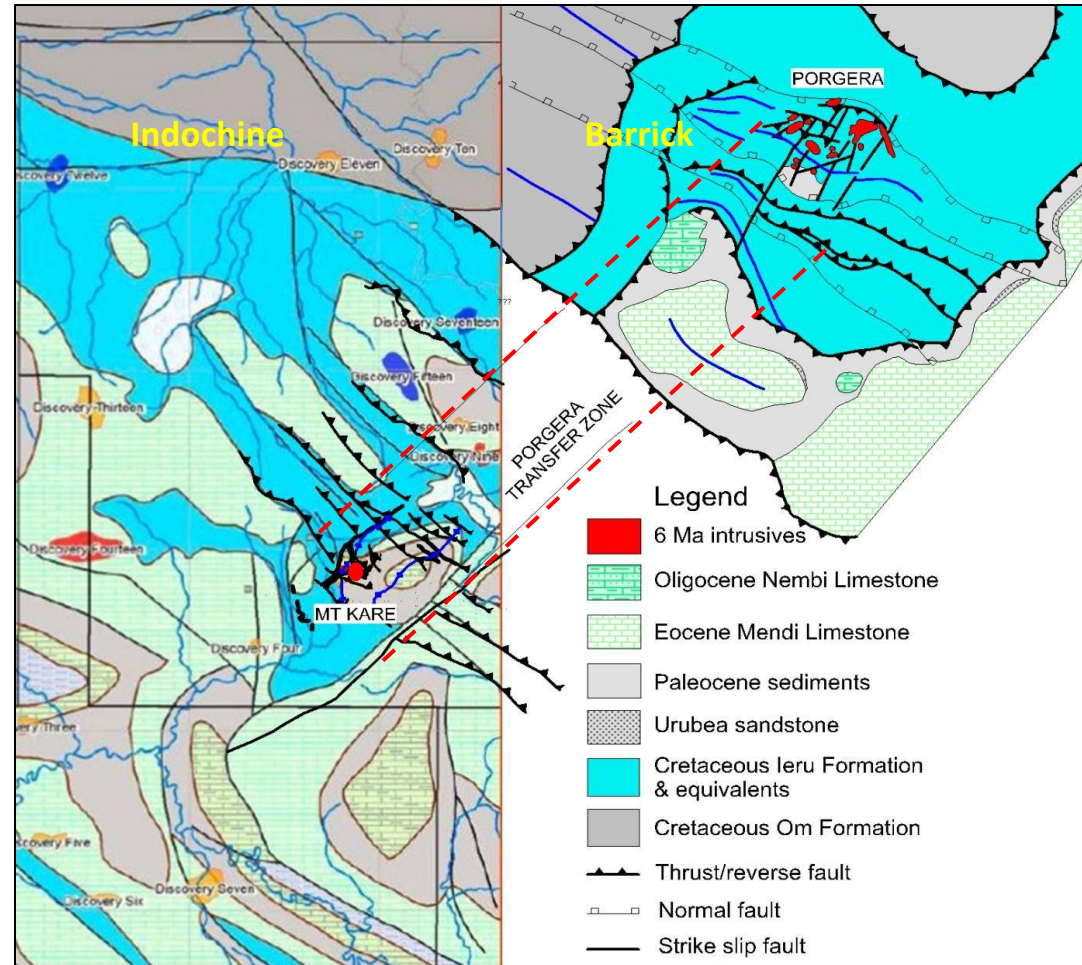
# Adjoins World Class Porgera Gold Mine

- Mt Kare located 15km from Barrick's Porgera mine
- Porgera 28 M oz Gold Mine
  - 17Moz produced (21 Years) at ~500,000 oz/yr
- Mt Kare and Porgera – distinct similarities
  - Porgera started on the high grade Zone VII resource with 5Moz @ 27g/t gold
  - Mine started on gold grades of 40-80g/t
  - Competent Person from Porgera confirmed **similar** high grade veins & structure at Mt Kare
- Established Infrastructure in area

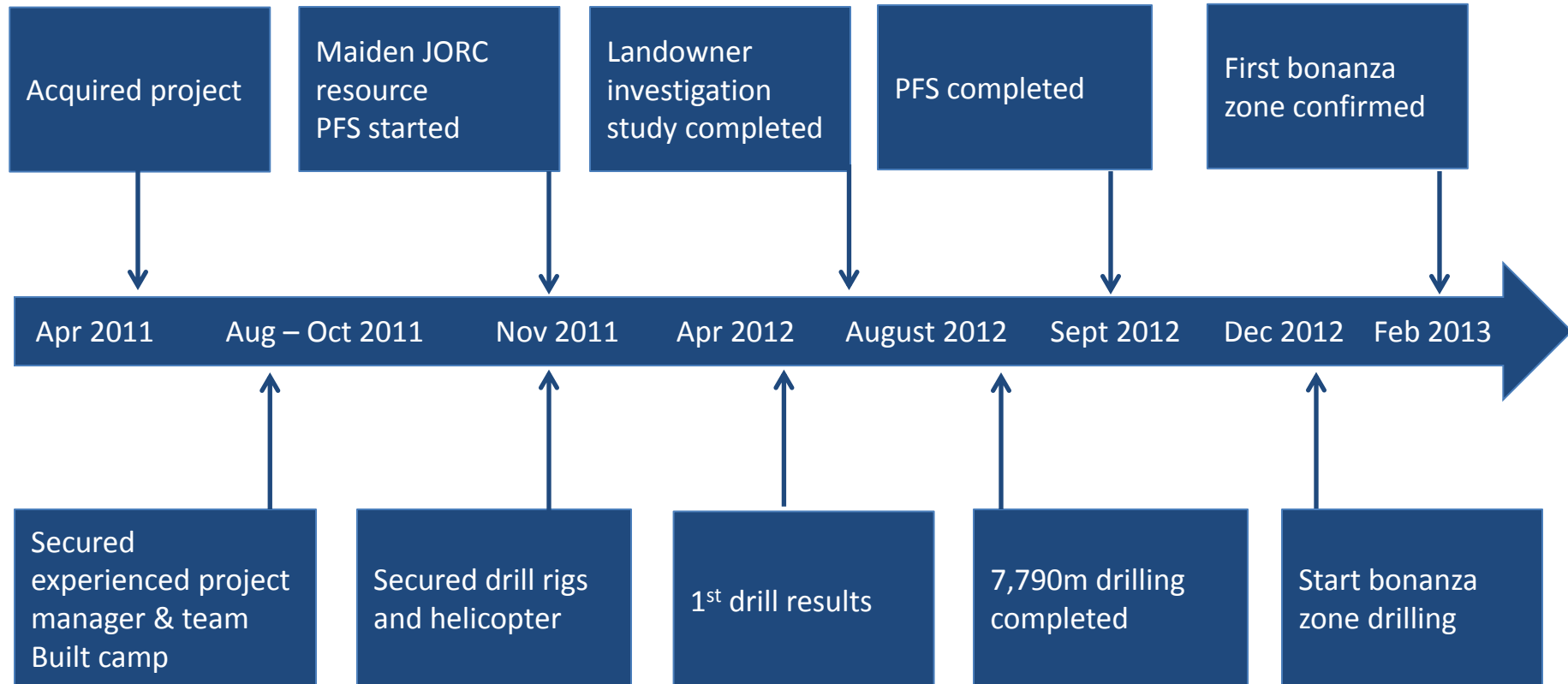


# Mt Kare and Porgera – Similar Geology

- Same structural corridor – Porgera Transfer Zone
- Intrusives emplaced along Transfer Zone (6 Million years)
- Both low sulphidation epithermal gold deposits
- Same age of mineralisation
- Early Stage 1 gold-pyrite- minor base metal mineralisation
- Later Stage 2 quartz- roscoelite mineralisation with high gold grades

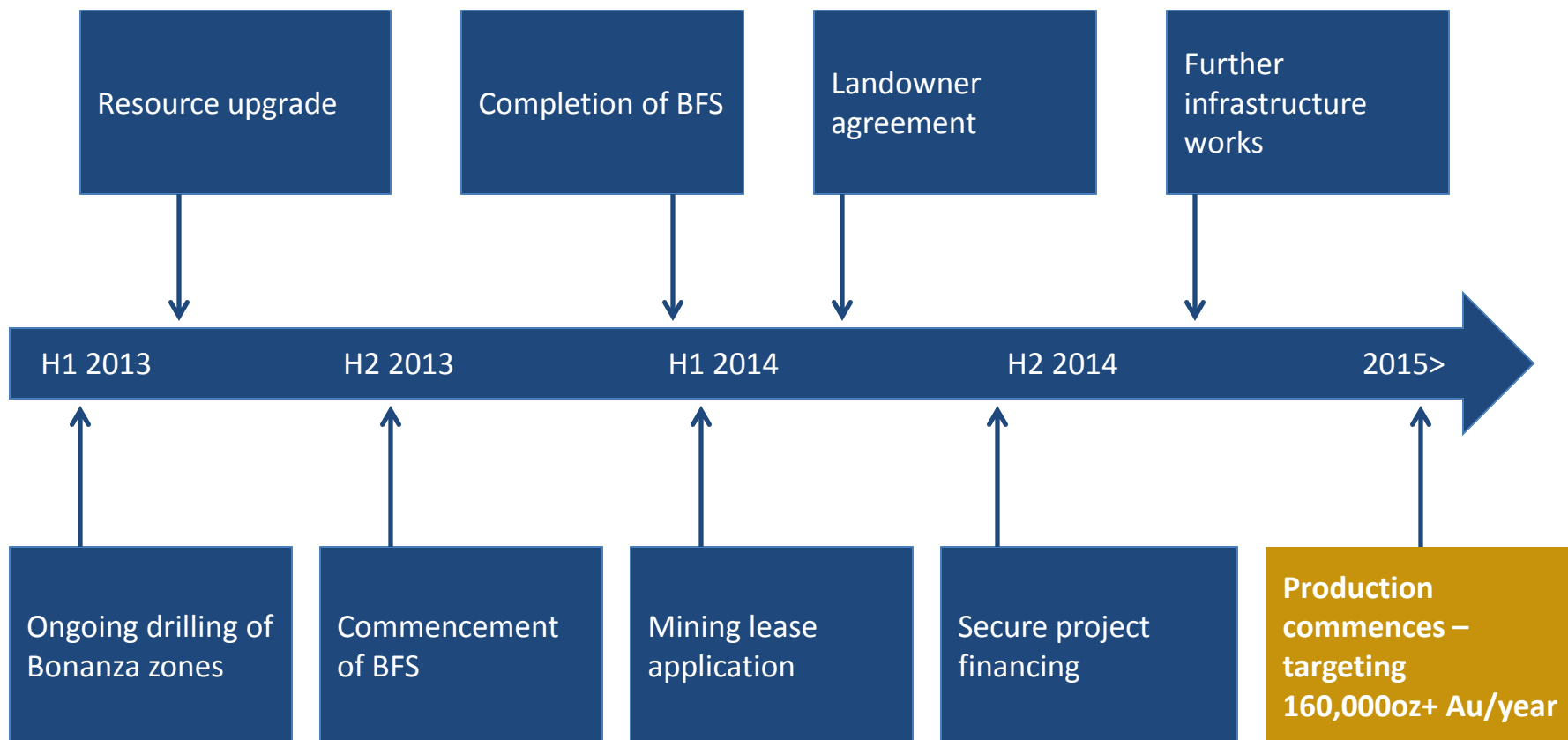


# Significant Milestones Achieved to Date



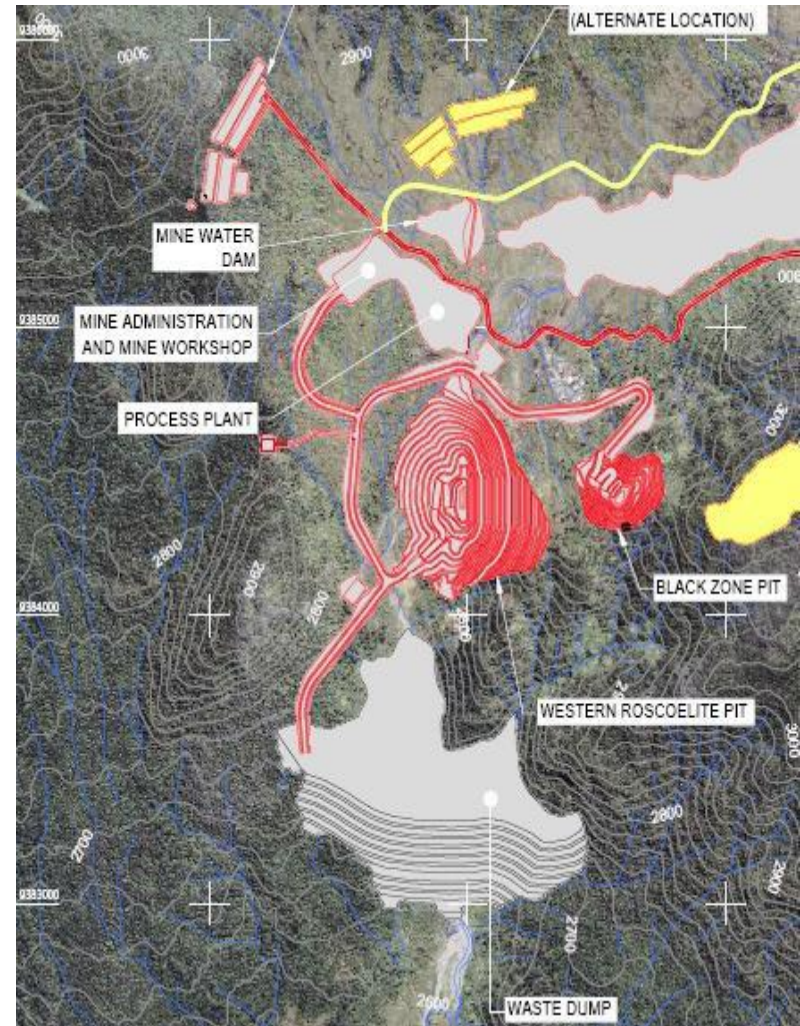


# Pathway to Production



# Mt Kare – Robust Project Economics

- Pre Feasibility study 2012
  - 1 Million oz gold total production
  - 8 Moz silver total production
- 8.5 year mine life – based on initial resource model only, using 15Mt of 28Mt resource
- Head grade averages 2.5 g/t Au (LOM)
- Low Strip Ratio 1:3.8 (LOM); 2 pits 160m deep
- 1.7 Mtpa processing plant
- CIL Plant first 3- 4 years; 88% recovery
- Flotation circuit for year 4-8; 83% recovery
- Near surface high grade gold not in current resource
- Planned Improvements to mine scheduling



Optimised project economics via expanding bonanza gold zones & mine scheduling

# Mt Kare CAPEX Summary

- 28% IRR – opportunity for significant increase
- Based on 1650/oz gold price, \$30/oz silver
- PFS identified:
  - \$2bn revenue
  - \$800m operating costs
  - 1.1+ million oz gold production forecast

Capital Item	Initial Capital US\$M	Deferred Capital US\$M
Process Plant	96	54
Infrastructure	58	0
Roads, buildings, water	*32	
Accommodation	12	
Power	*15	
Tailings Facility	22	30
EPCM + Support	32*	9
Owners Costs	10	0
<b>Establishment Capital Cost</b>	<b>218</b>	
Mining Fleet	44**	

\* Opportunity for reduction

\*\* Assuming owner operated fleet, not leased

# Bonanza Zone Drilling – IDC's Immediate Focus

- Bonanza – technical term for very high gold grades >25-400 g/t Au over 5-20m
- Three bonanza zones identified – drilling commenced Dec 2012
- Bonanza zones similar to Porgera – according to Tony Burgess Porgera's chief geologist for 11 years
- Porgera started from just ONE bonanza zone containing 5.1 M oz at 27 g/t Au
- Bonanza zone transformed Porgera into a top ten global gold mine

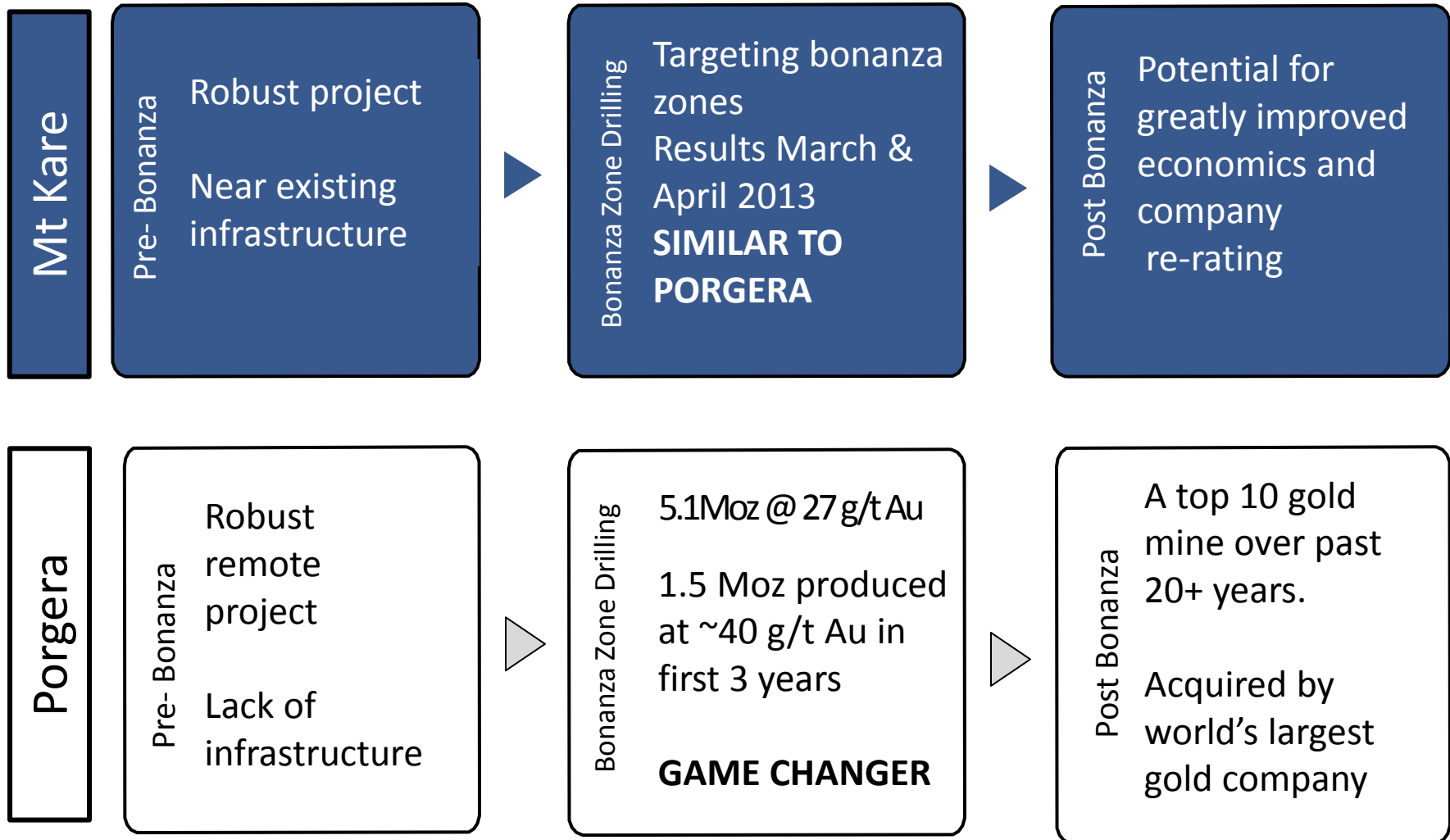


**Bonanza zone drilling continues to strengthen Mt Kare – Porgera similarities**

- 6 holes drilled (706m) in the Black Zone (BZ) bonanza target
- Results confirmed excellent grades in the BZ bonanza target
- 6 holes completed in WRZ bonanza targets, results expected in March/April
- Drilling program of bonanza zones ongoing – significant news flow ahead

Drillhole	Width (m)	Gold (g/t)	Silver (g/t)	From (m)
183SD12	49	22.3	71	63
Includes:	21	33.8	64	91
Includes:	5	105	>100	94
185SD12	21	13.6	144	61
Includes:	7	35.2	83	75
181SD12	21	5.8	70	64
Includes:	8	10.4	54	77
146SD12	38	20.8	57	78
Includes:	5	120.1	116	94
123SD11	36.4	6.2	232	56.8
122SD11	17.7	100.3	134	59
Includes:	4	420	170	67

# Mt Kare – En Route to Another Porgera



# Current Drilling Program Targeting Bonanza Zones

Bonanza grade intercepts  
(quartz-roscoelite)

## BZ Bonanza Results

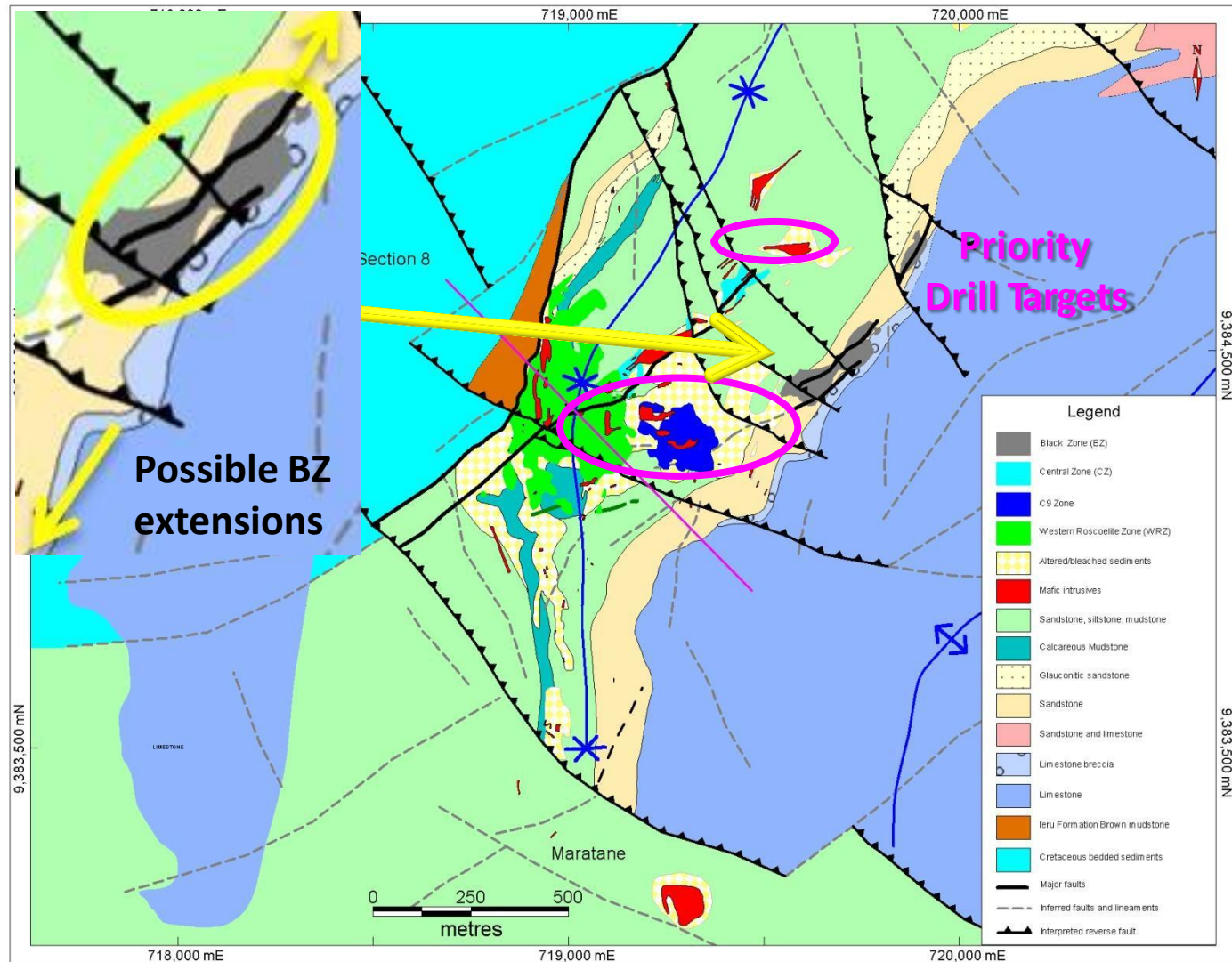
- 21m at 34g/t Au
- incl 5m @ 105g/t Au
- 7m at 35.2g/t Au
- Prior 4m @ 420g/t Au

## Future Drilling

- Favourable EW fault orientations.
- Favourable structures for veining.

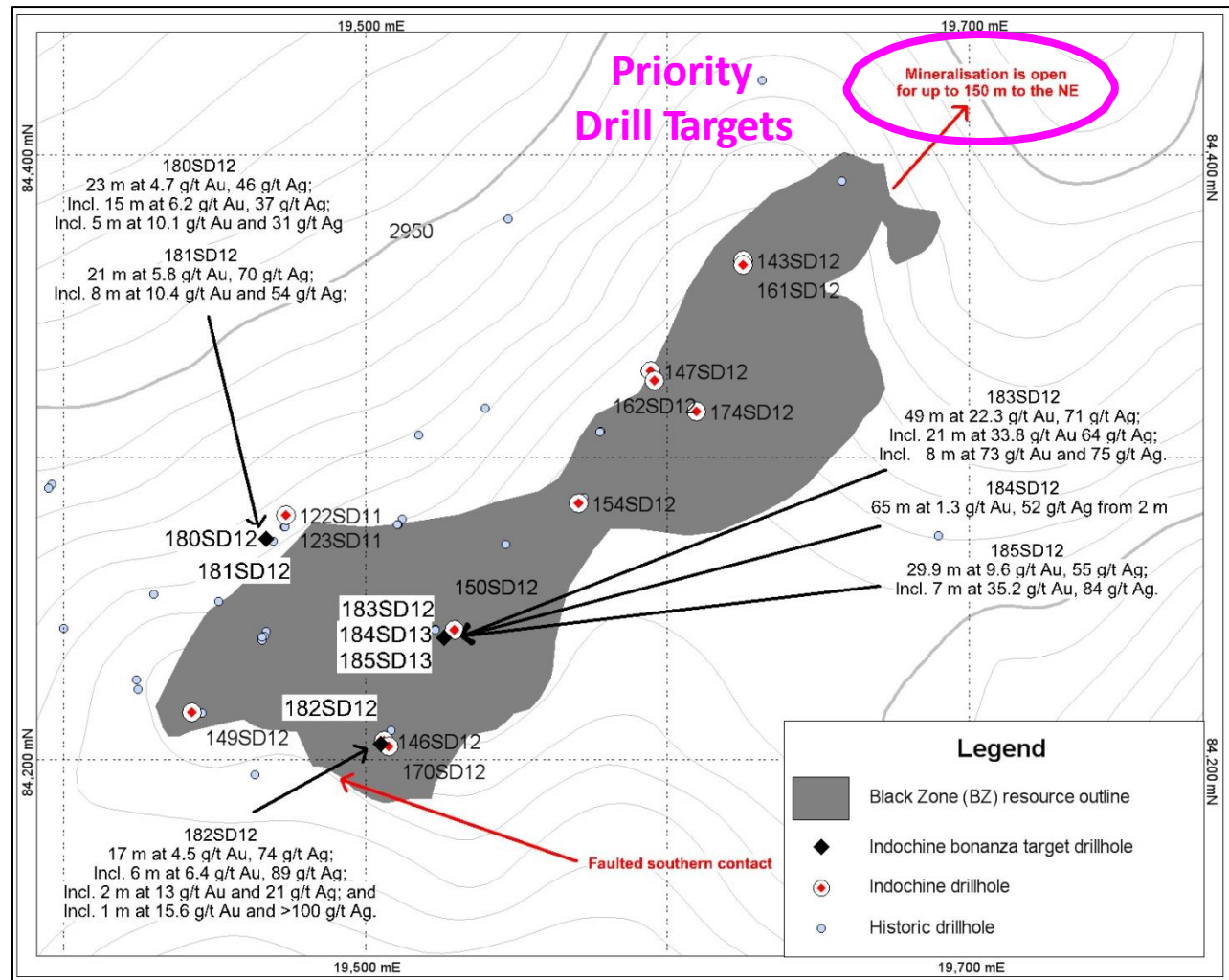
## Geology

- Folded calcareous siltstones and sandstones, capped by limestone.
- Basic intrusives with alteration/mineralisation



# Bonanza zones confirmed in Black Zone

- The 6 holes drilled (706m) since Dec 2012
- Results received from all six holes in the BZ bonanza target
- Excellent results with bonanza grades in all holes





# IDC Sets a New Benchmark in Community Engagement

- IDC has achieved significant progress in its community engagement program to date
- Landowner investigation completed; final report underway
- Objective to secure binding landowner agreement post BFS
- Strong supporter of local economies – IDC employs ~100 local community members at any one time
- IDC using a Melanesian approach to community engagement
- Benefits structured to reflect traditional systems – royalties, social infrastructure, etc.



# A Compelling Investment Case

- IDC has delivered:
  - Secured tenure over a world class asset
  - Completed a robust PFS
  - Experienced team in place
  - Completion of landowner investigations
  - Confirmation of bonanza zones
- Now poised for significant value growth
  - Resource upgrade in mid-2013
  - Continued backing from world class funds
  - Entering development phase – BFS to commence shortly
  - Deep value opportunity



## Mt Kare history

1987-88	Discovery & Gold Rush Alluvial Miners Extracted >1Moz gold in nuggets in 1 year
1988-92	CRA drilling (32 holes); CRA alluvial SML
1992-96 1996-08	Ownership changes; Carpenters Pacific (Matu Mining) Canadian Juniors (Madison/Buffalo); 320 holes drilled
2007	C.2Moz gold/silver resource defined
2009-10	Liquidation of Madison PNG after financial crisis • \$60M in past expenditure
2009-2011	Winning tender by local family company; transfer to Summit Development Ltd, exploration license extended
2011	Summit Development becomes wholly owned subsidiary of Indochine Mining; project restarted

# Proven management team

## Stephen Promnitz

### *Chief Executive Officer*

25 years experience in resource sector, previously 2IC & Manager, Corporate Development at Kingsgate Consolidated. Investment bank work with Citigroup and Westpac. Over 15 years with Western Mining, Rio Tinto and Placer Dome in exploration, mining, project development, including at Mt Kare in 1988.



## George Niumataiwalu

### *PNG Country Manager*

Mining engineer with 20 years experience; previously PNG country manager for Morobe Consolidated Goldfields, steered Hidden valley through a full feasibility study, permitting and landowner agreements with 24 months.



## Tony Burgess

### *Chief Geological Consultant, PNG*

Tony's career spans over 35 years of practical experience in all facets of geological exploration, grade control and resource/reserve estimation gold mining. Of particular interest is his 10+ year's experience as the Senior Resource Geologist for the Porgera Joint Venture where he was the competent person for reserves at Porgera and responsible for resource definition of a world class epithermal gold/silver ore body. During his time at Porgera, Tony added nine million additional gold ounces to open pit and underground reserves.



**Ian W Ross** Dip Bus. (London) A.C.I.B. (UK)

*Chairman & Non Executive Director*

Ian has over 45 years in the finance and mining industry in London, New York and Sydney. His roles included senior executive at the Ivanhoe Group of Companies throughout the world. Ian is currently Chairman and Non Executive Director of UCL Resources.



**Stephen Gemell** BE Mining (Hons), FAusIMM(CP) MAIME, MMCA

*Non Executive Director*

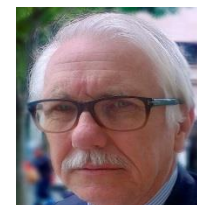
Steve Gemell has more than 35 years experience in the Australian and global mining industry. He has been Principal of Gemell Mining Engineers, and independent multi-discipline consultancy, since its formation in Kalgoorlie in 1984. Steve is currently Non Executive Chairman of Eastern Iron Limited and Golden Cross Resources Limited and a Non Executive director Argent Minerals Limited, Dateline Resource Limited and UCL Resources.



**Gavan H Farley** Dip. Bus., MBA (Finance), MAID

*Non Executive Director*

Gavan has a career spanning 30 years in international management in the UK, Germany, USA, Africa and the Caribbean. Gavan is currently General Manager of Empire Securities Group, a Non Executive Director of Pilbara Mining Ltd and a Director of FCMS Holdings Inc. in the USA.



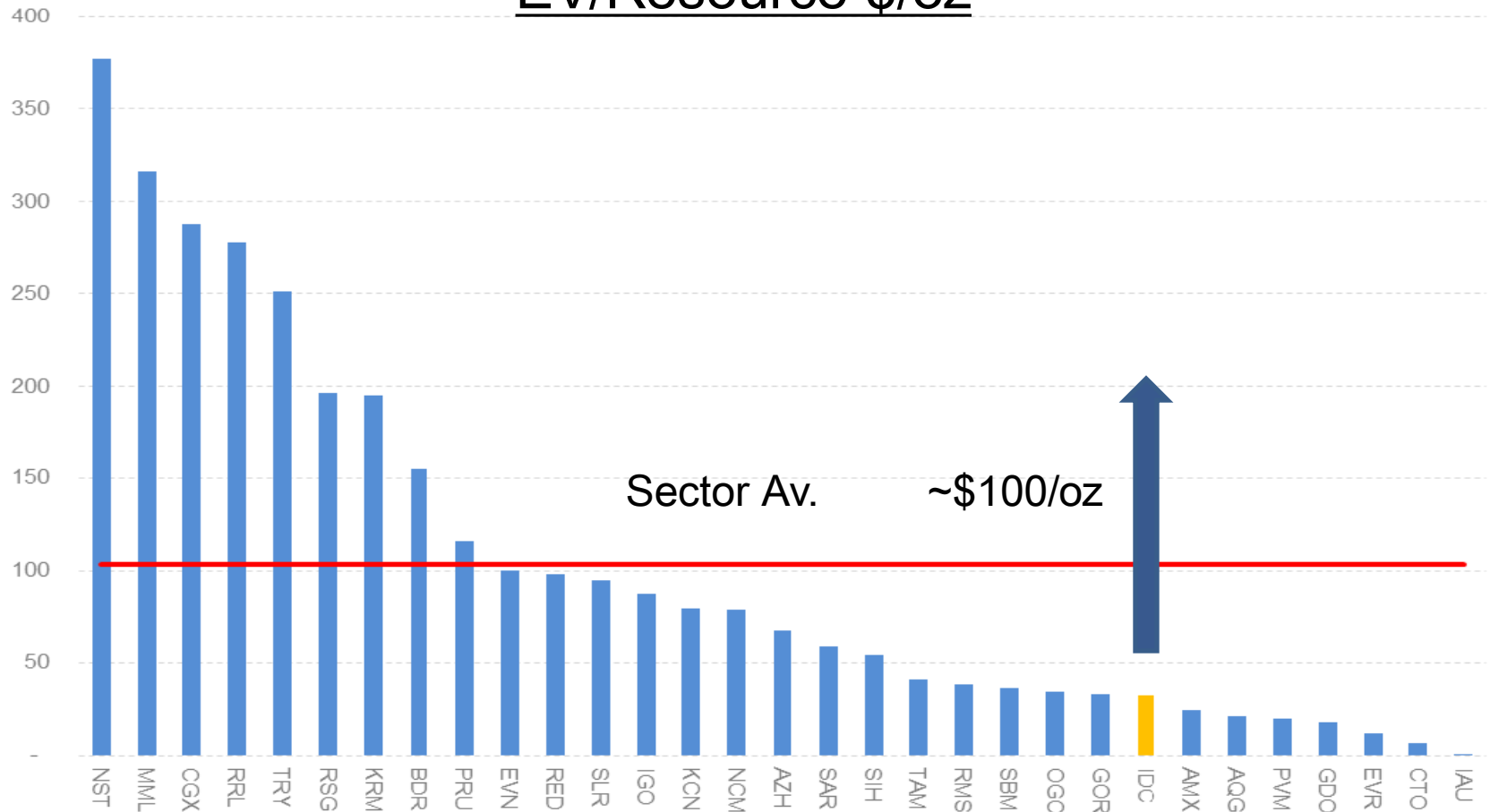
**John T Shaw**

*Advisor to the Board*

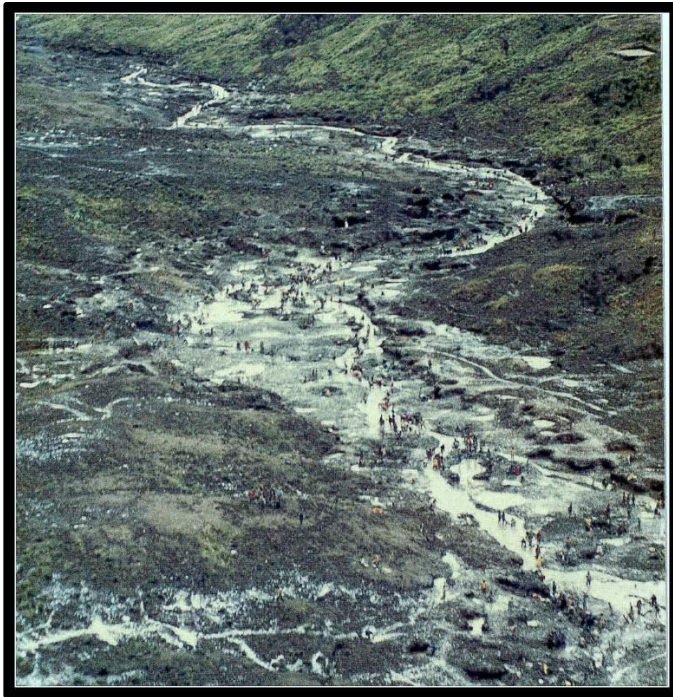
John Shaw has more than 40 years experience as a geologist, operating manager, senior executive and independent non-executive director of mining enterprises in diverse cultural and political regimes in North America, Australia, PNG, Africa and Southeast Asia. He has significant experience in the world's major mineral provinces and in diverse commodities, including gold, silver, copper and tungsten. He has extensive experience in exploration, evaluation, design, construction and operations. John was vice president of Australian operations of Placer Pacific, and managing director of Kidston Gold Mines and was involved in setting up and organising six PNG and Australian mines.



## EV/Resource \$/oz



## Started as 1988 gold rush



- 1 Million ounces gold extracted in nuggets in 1 – 2 years 1988-89
- Near – surface potential upside

*\* Gold rush finished more than 20 years ago*

## Melanesian Resource Development

- Melanesian challenges to resource development require Melanesian solutions
- Careful landowner identification
- Social Mapping
- Benefits Sharing

## The Melanesian Approach at Mt Kare

- Melanesian License to operate
- Landowner Investigation Study completed along clan lines & 'malu'
- Final report leads to negotiation of an agreement
- Benefits structured to reflect traditional systems – royalties, social infrastructure, etc.

### **Why is this significant?**

- Mt Kare has been beset by complex landowner claims following the gold rush of 1988
- Identifying rightful customary landowners as required by law has been unsuccessful using current social mapping techniques and legal definitions;
- A Melanesian approach was used to identify rightful landowners using customary criteria in the cultures of the Huli and Paiela peoples that have rights to Mt Kare;
- A Melanesian approach then resolved how differing clans may have rights over time, and that this may be linked by kinship, bloodlines or user rights.
- The Melanesian approach used also applied the customary way of sharing benefits within and in between these identified clans, thus resolving a huge challenge of resource development on customary land.



# History repeats – spectacular grade in past results

MK9705	20.5 m	443.9 g/t gold	163 g/t silver	37.5 m downhole
MK9706	15 m	23.3 g/t gold	145 g/t silver	67.5 m downhole
MK99146	12 m	173.5 g/t gold	73 g/t silver	84 m downhole
MK06-53	40 m	15.3 g/t gold	69 g/t silver	93 m downhole
MK9717	58.5 m	11.7 g/t gold	37 g/t silver	84 m downhole
MK15	14 m	28.0 g/t gold	213 g/t silver	68 m downhole
MK0650	27.5 m	17.2 g/t gold	18 g/t silver	101 m downhole
MK0609A	33.4m	15.7 g/t gold	10 g/t silver	44.6 m downhole
MK0611	2.5 m	172 g/t gold	103 g/t silver	56 m downhole
MK06-58	30.5 m	19.2 g/t gold	72 g/t silver	78 m downhole
MK06-63	25 m	22.6 g/t gold	70 g/t silver	98.2 m downhole
MK9744	18 m	20.6 g/t gold	65 g/t silver	159 m downhole
P178	19 m	5.4 g/t gold	337 g/t silver	33 m downhole
MK9892	19.5 m	2.5 g/t gold	390.8 g/t silver	4.5 m downhole

Historical drilling by prior owners CRA, Madison & Buffalo Gold returned bonanza gold/silver grades in most of the JORC resource areas at Mt Kare.

# Assays – High grade gold in IDC drill holes

Drillhole	Metres Width	Gold g/t	Silver g/t	From m
170SD12	26	<b>3.9</b>	59	5
168SD12	204.8	<b>1.9</b>	15	22.2
163SD12	23	<b>4.1</b>	15	29
154SD12	15	<b>6.1</b>	42	49
150SD12	42	<b>4.9</b>	62	62
147SD12	30	<b>3.7</b>	96	7
146SD12	38	<b>20.8</b>	57	78
<i>Includes</i>	5	<b>120.1</b>	93	94
138SD12	32	<b>4.1</b>	6	35
135SD12	40.6	<b>3.8</b>	21	102
133SD12	52	<b>6.7</b>	23	11
132SD12	78	<b>6.0</b>	19	6
<i>Includes</i>	54	<b>8.2</b>	18	
131SD12	99	<b>3.2</b>	19	23
126SD12	21	<b>5.5</b>	625	99
123SD11	36.4	<b>6.2</b>	232	56.8
122SD11	17.7	<b>100.3</b>	134	59
<i>Includes</i>	4	<b>420</b>	170	67

58 holes recently drilled (7,790m) since Nov 2011.

PFS results released; BFS to follow.

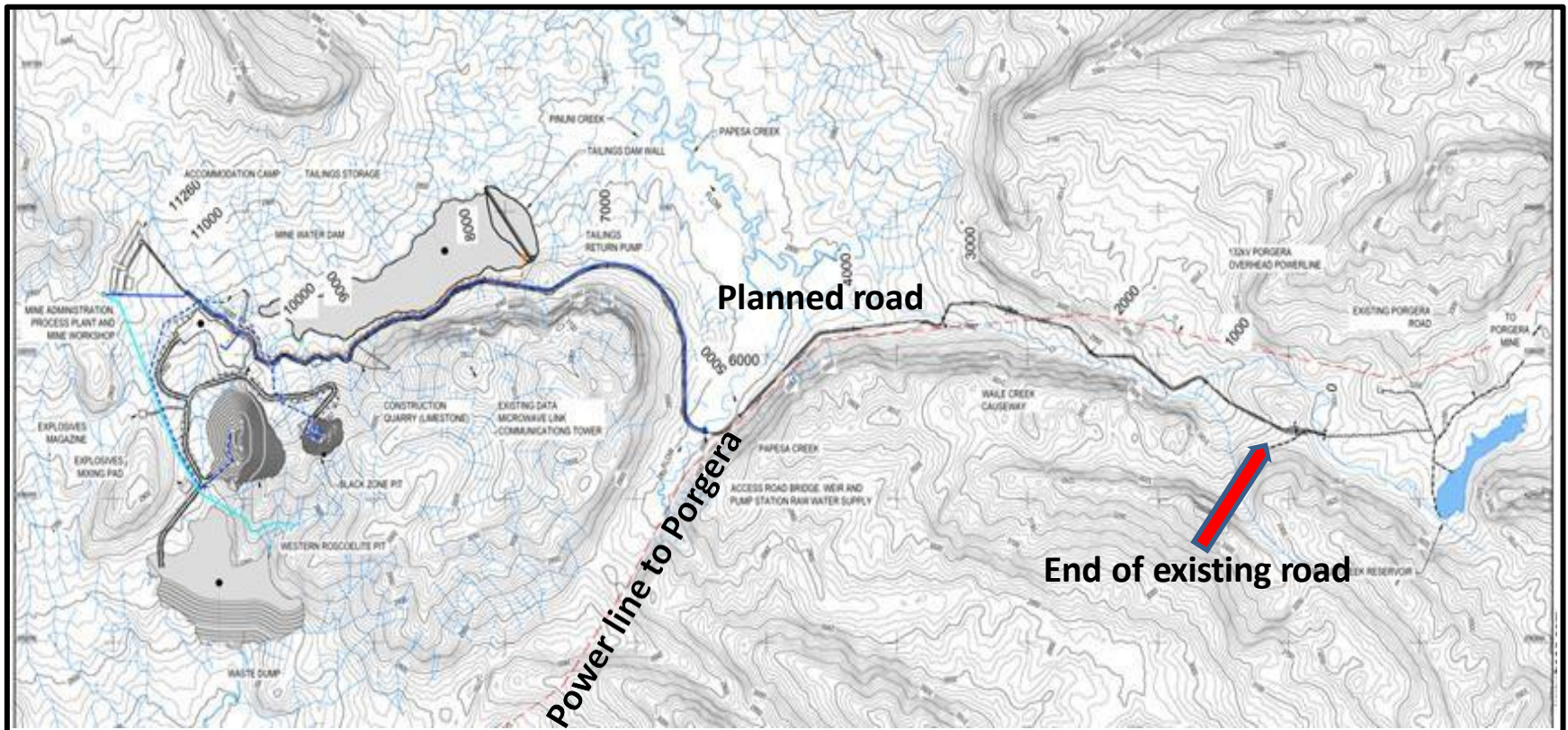
Extensively drilled with 430+ holes in total.

Wide intercepts of gold from surface

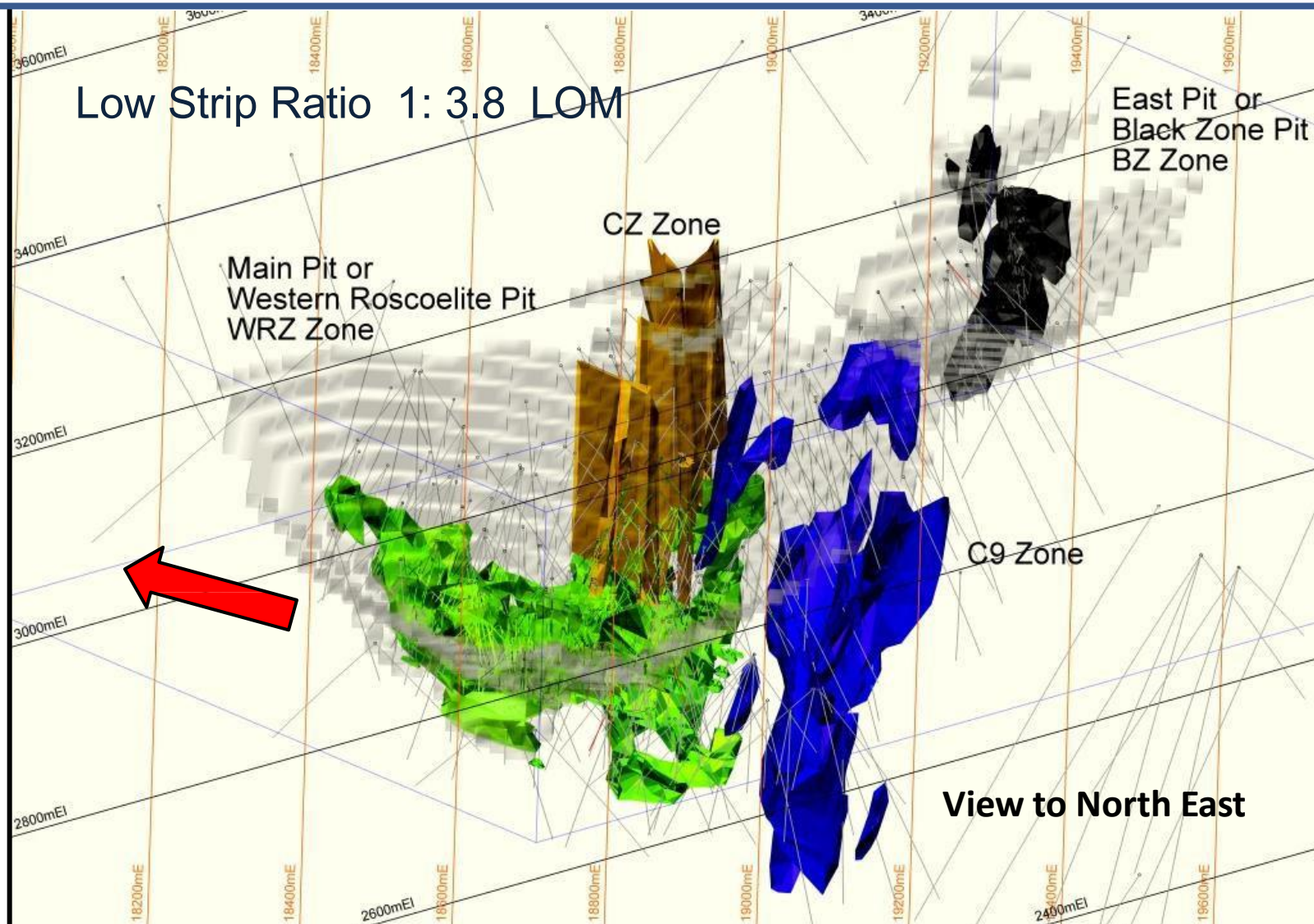
Bonanza drilling (10+ holes) to be incorporated for a resource upgrade.

# Local infrastructure

- Access Road (11km) to connect with existing road network
- Optimisation potential – gas/electricity & mini-hydro options

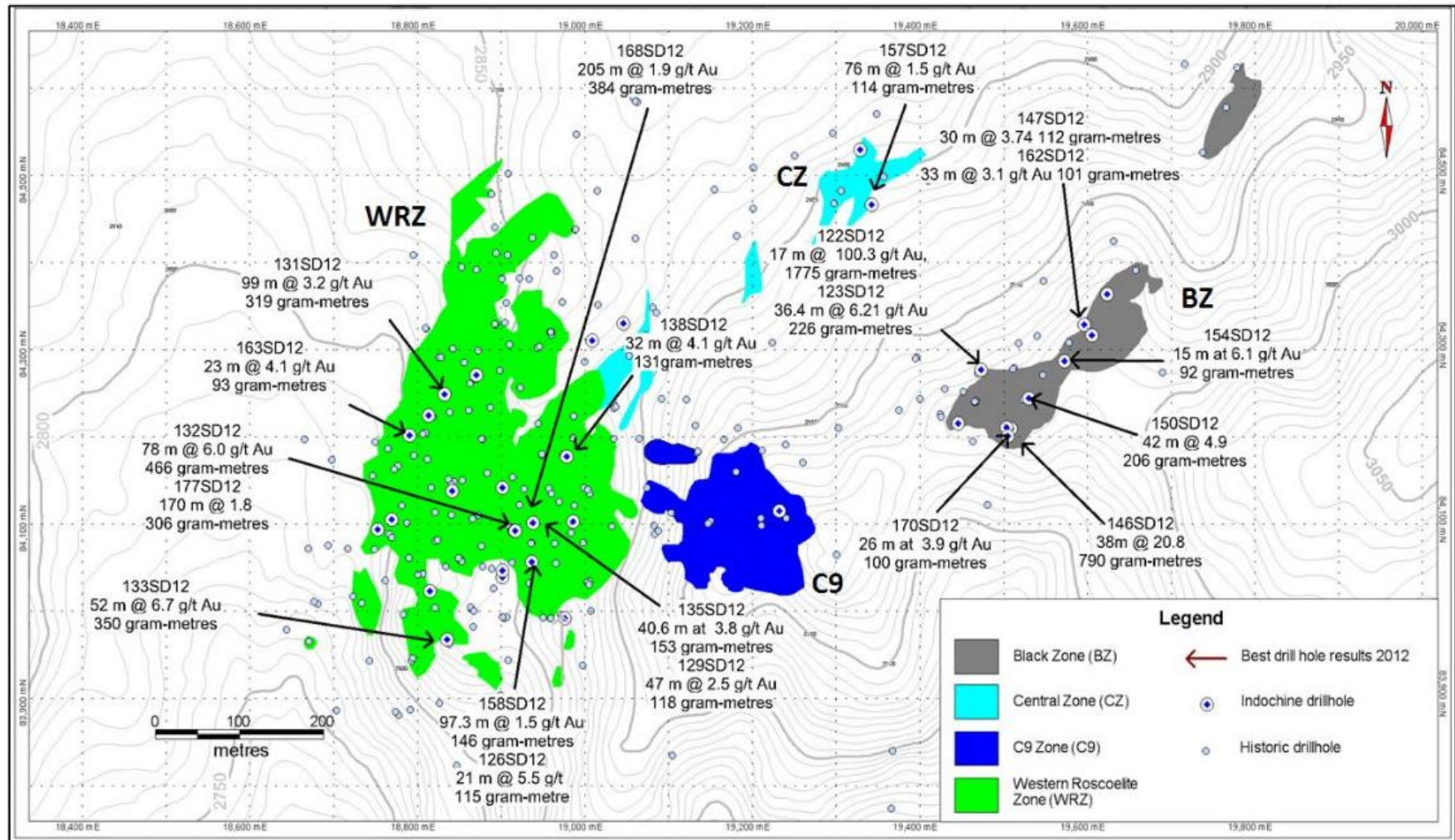


# Low strip ratio open pits



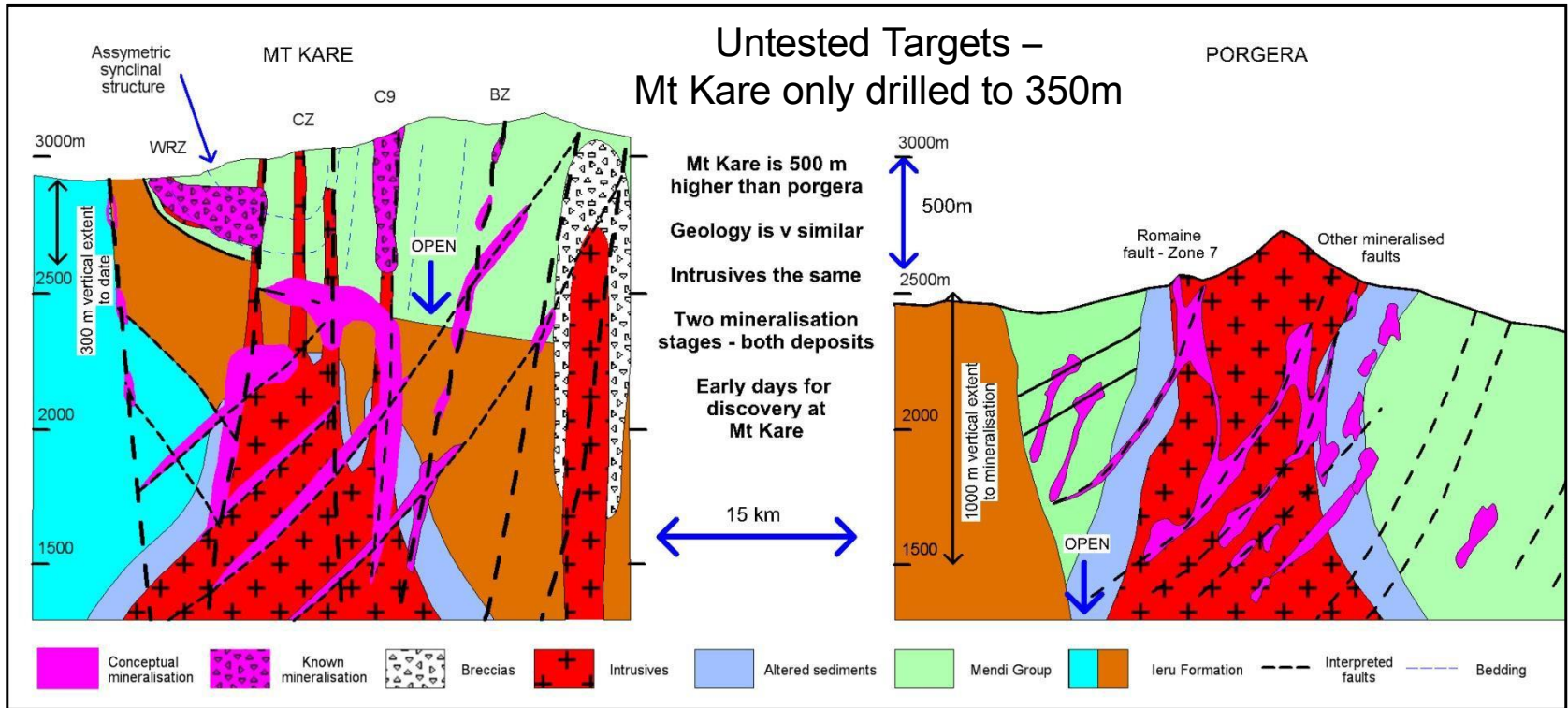
Mill Feed Tonnage Modelled	15Mt	2.5g/t Au	26g/t Ag	1.1Moz Au	7.7 Moz Ag
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# Consistent resource



- Total JORC resource 28.3Mt @ 1.9g/t Au, 22g/t Ag for 2.13 Moz Au Eq

# En route to another Porgera



Mt Kare	Porgera
500m higher	RL 2500m
Similar geology	Similar geology
Same intrusion composition, age	Same intrusion composition, age
Two stage mineralisation	Two stage mineralisation

Targets identified.  
Potential to discover high grade **quartz-roscoelite** mineralisation in all mineralized zones at Mt Kare

## Mt Kare project – JORC Mineral Resource Statement (Dec. 2011)

*Cut-off 0.5g/t gold*

Resource Classification	Million Tonnes	Gold g/t	Silver g/t	Gold Moz	Gold Equiv*
Indicated Resource	5.9	3.7	30.0	0.7 Moz	0.8 Moz
Inferred Resource	22.4	1.5	20.5	1.1 Moz	1.33 Moz
Total Resource	28.3	1.9	22.5	1.8 Moz	2.13 Moz
			20Moz silver		@ 2.3 g/t Au Eq

### Notes

- 1) Cut-off grades: Nominal lower gold grade cuts are applied, and due to the nature of the deposit also approximate the geological mineralisation cut-off.
- 2) Material classified as Indicated Resources are within shells interpreted from the 2011 block model that define high grade Au mineralisation (+2g/t Au) which is close to surface. It is considered that material within these volumes have a high probability of being economically extracted, with the data risks considered.
- 3) Rounded estimates are used, which may cause apparent discrepancies in totals. Significant figures do not imply precision.
- 4) Gold equivalent grades (AuEq) are calculated based on a gold price of US\$1200/oz and a silver price of US\$22/oz, or 54.55 silver ounces per 1 gold ounce.

### Competent Person Statement

*Anthony W Burgess, a qualified consultant for Indochine Mining Limited, is a member of the Australasian Institute of Mining and Metallurgy and has sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activity undertaken, being reported herein as Exploration Results, to qualify as a Competent Person as defined in the 2004 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. (The JORC Code, 2004 Edition). Anthony W. Burgess has consented to the public reporting of these statements and results and the form and context in which they appear.*

## Stock Performance

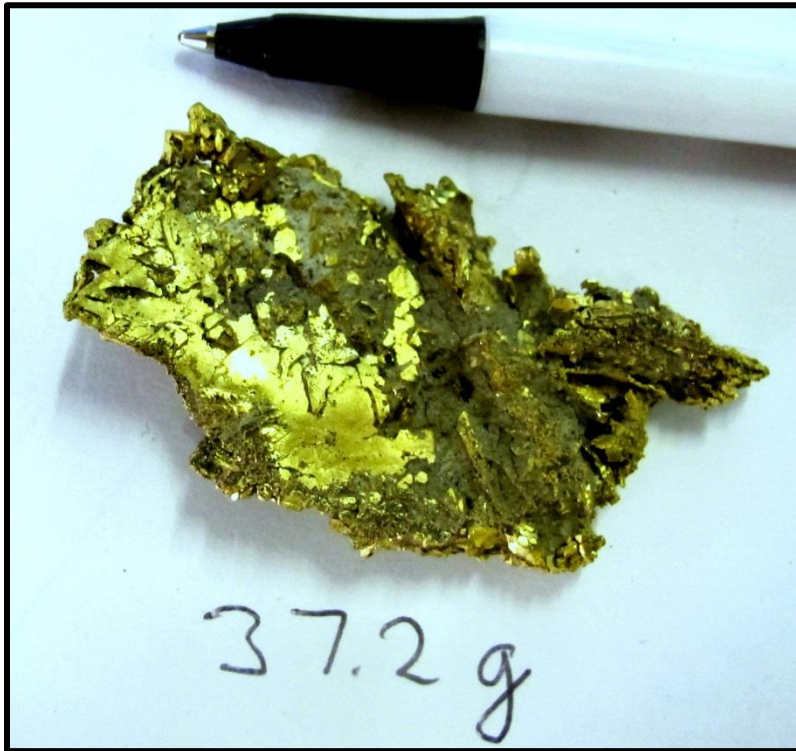


ASX CODE :	IDC
Trading Range:	A\$0.095 -0.20 <i>(12 months)</i>
Volume :	22M/month
Market Cap :	~A\$80-100M
Shares Issued :	786.5M

- Deep value
- Good liquidity
- Performance in line with ASX gold index
- Recent new equity research
- Inflection point coming



## Surface Gold & In Drill Core



- Particulate gold & nuggets still in surface zone
- Visible gold observed in drill core

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Level 3

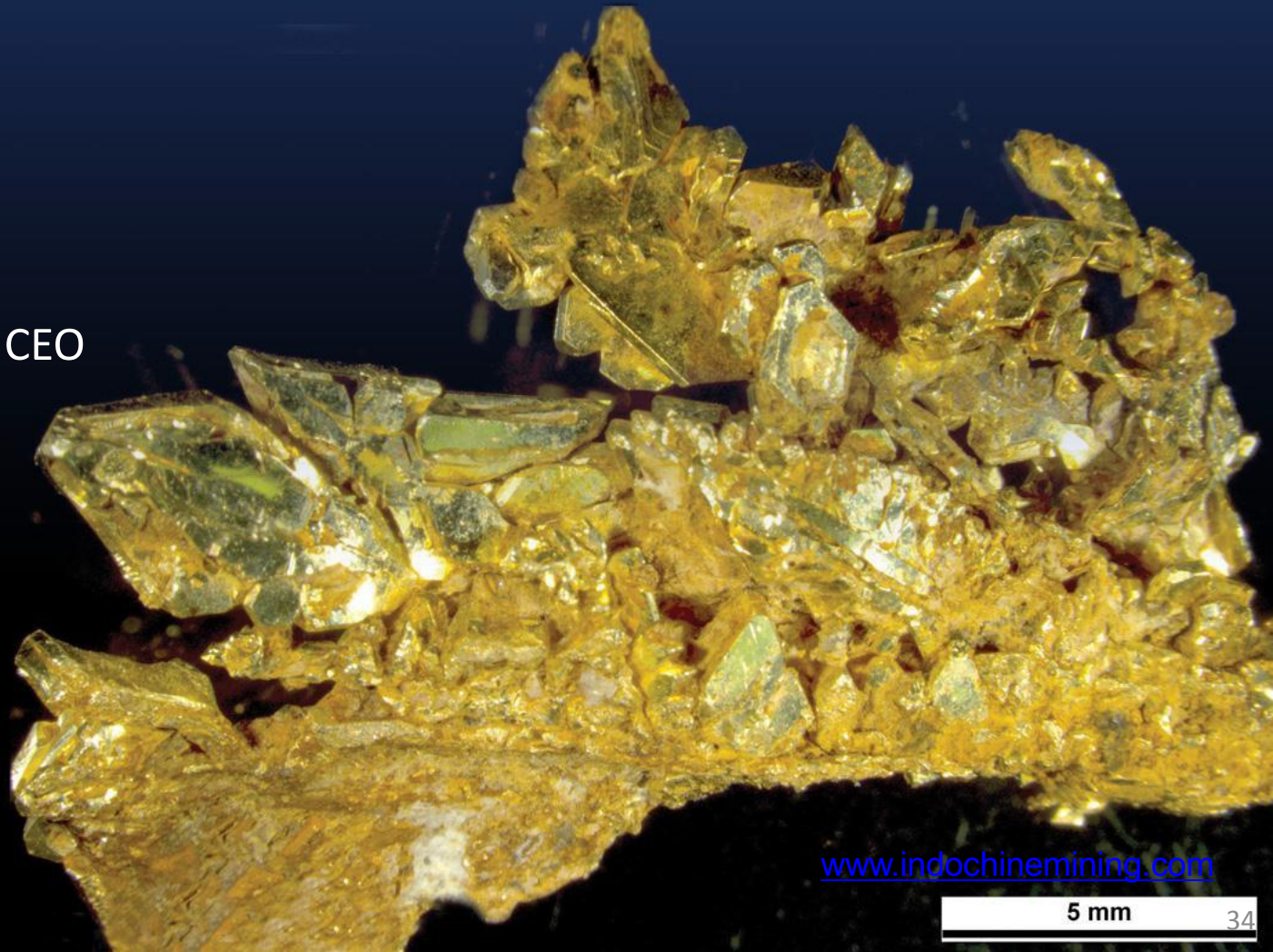
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