



INDOCHINE MINING LIMITED

ASX:IDC

ACN 141 677 385

29 April 2011

Company Announcements Office
Australian Securities Exchange

12 Pages

Indochine Mining Limited - Quarterly Report To End 31 March 2011

Highlights

- Major gold/silver project acquired at Mt Kare in Papua New Guinea.
- \$27 million in cash and shares for c. 2 million ounce deposit.
- Successful \$16 million capital raising for bankable feasibility study at Mt Kare.
- Drilling commenced on new gold discovery at Kratie North in Cambodia.

PNG – Major Gold/Silver Project in Feasibility Study

Indochine finalised the acquisition of the circa 2 million ounce Mt Kare Gold/Silver Project in Papua New Guinea (PNG). The cost of the acquisition was approximately \$27 million, in Indochine shares (63%) and cash (37%), of which \$4.4 million has already been paid. Indochine will own the PNG company that owns the Mt Kare exploration license EL1093, called Summit Development Limited (*Summit*). The Summit shareholders, a PNG based family, will become long term Indochine shareholders, subject to shareholder approval at a general meeting.

The Mt Kare Gold/Silver Project is located in the highlands of PNG, 15 kilometres south-west of the Porgera gold mine, which has a resource approaching 30 million ounces gold, including what has been mined to date (see 30/12/10 announcement). The Porgera mine has been producing between 200,000-800,000 ounces per year for over 20 years from underground and open cut operation. At Mt Kare, a Non-JORC, Canadian NI 43-101 resource of 1.9 million ounces of gold equivalent (24.5 million tonnes at 2.1 grams per tonne gold, 15.5 g/t silver) was generated in 2007 and an ASX waiver was obtained to release the details (see 04/03/11 announcement). The Company is encouraged as to the future potential of the project given that the previous resource statement was calculated using a cut-off grade based on a gold price of US\$300 per ounce.

Indochine and Summit are commencing a Bankable Feasibility Study. Milestones will be:

- JORC-code compliant resource statement, in 6 months
- Pre-Feasibility Study in 12 months, and a Bankable Feasibility Study in 18 months.

The feasibility study will cover metallurgy, environment, ethnography and a social mapping study.

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Mt Kare was identified in 1988 due to substantial near-surface gold and has been the subject of considerable exploration and drilling campaigns, although some challenges have prevented the project advancing previously, which include its location and landowner claims. Landowner groups provided majority support for the project to be developed by a new owner.

Capital Raising for Bankable Feasibility Study

A \$16 million private placement of shares at A\$0.30 per share to undertake the Bankable Feasibility Study over the PNG Gold/Silver project was oversubscribed. 53.75 million shares were issued at A\$0.30 a share to raise A\$16.1 million before costs (the maximum under the 15% rule). Over-subscriptions of up to 11 million shares will be subject to shareholder approval at a general meeting.

Shareholders, as at 6 April 2011, have been offered a Share Purchase Plan (SPP) to subscribe for up to A\$15,000 of Indochine shares at A\$0.30 per share.

Exploration - Cambodia

The company holds the largest package of mineral leases in Cambodia, more than 4,000km² in an area of limited exploration within a region known for world-class gold and copper deposits.

Kratie North

A drilling program has commenced on the Kratie North gold project, where gold bearing veins have been discovered recently. A series of targets have been selected for drilling at Kratie North based on 3-D modelling of recent geophysics merged with geochemical results and surface mapping.

A 2000 metre diamond drill program will test a geophysical IP target with a coincident gold-in-soil anomaly, as well as a 1 kilometre trend identified in geophysics where gold-bearing veins were recently discovered, which assayed up to 42 grams/tonne gold, where a series of holes will be drilled.

An ongoing IP geophysical survey will identify further drill targets over two deeper magnetic targets further east. An enlarged infill RC drilling program will follow the initial diamond drilling program.

Targets sought are large scale high grade vein gold deposits (like Pogo >5Moz at 12 grams/tonne gold in Alaska) and/or bulk mineable gold mineralisation with high grade veins.

Ratanakiri

Results from helicopter-supported sampling at Ratanakiri have been delayed and are expected late in the May. Detailed follow-up will include geophysics and stream/soil sampling over gold and copper targets identified. The option to purchase two exploration licences in Ratanakiri was exercised (EL525 & EL526) as outlined in the Prospectus (Section 11).

Exploration – Laos

Discussions have commenced with regulatory authorities regarding permitting.

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Finance and Corporate

Cash in bank of \$24 million at 14 April 2011 includes \$16.1 million (before costs) raised for the feasibility study in PNG. Over \$4.4 million was spent during the quarter on the PNG transaction.

Indochine currently has 415.2 million shares on issue as at 14 April 2011 (after the private placement), of which 333.2 million shares are tradeable and 82.0 million are escrowed until December 2012.

Stephen Promnitz

Chief Executive Officer

Indochine Mining Limited

Foreign Resource Statement (NI43-101, non-JORC) Mt Kare

Snowden's 21 June 2007 Mineral Resources reported at various cut-off grades							
Category	Cut-off Equivalent (AuEq g/t)	Tonnage (,000 t)	Gold Grade (g/t Au)	Silver Grade (g/t Ag)	Contained Gold (,000 oz)	Contained Silver (,000 oz)	Contained Gold Equivalent (AuEq koz)
Indicated	1	18,830	2.31	17.31	1,396	10,479	1,588
	2	8,559	3.66	22.51	1,008		
	3	4,587	5.04	25.37	743	3,741	812
Inferred	1	5,753	1.56	9.53	288	1,763	320
	2	1,331	2.77	11.77	119		
	3	476	3.85	11.22	59	172	
Total	1	24,583	2.13	15.49	1,684	12,242	1,908

Mineral Resources, under National Instrument NI 43-101, were prepared by Mr Robert Sim of Longview Technical Group. Ms. Lynn Olssen MAUSIMM (CP), Senior Consultant and full time employee of Snowden approved the resource estimation, the resources estimation procedure and QAQC data. Lynn Olssen is a Qualified Person as defined by NI43-101.

The resources have been tabulated for a gold equivalent grade (AuEq) of 54.55 silver ounces per 1 gold ounce, based on a gold price of US\$300/oz and a silver price of US\$5.50/oz. Numbers not in italics have been previously reported; numbers in italics have been calculated. Resource Statement is extracted from original report titled "Buffalo Gold Limited: Mt Kare Technical Report Update, August 2007 (NI43-101, Snowden)" available publicly on www.SEDAR.com.

Competent Person Statement

David Meade, a full time employee of the Indochine Group, is a member of the Australian Institute of Geoscientists and has sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activity undertaken 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).

After review of the Foreign Resource Statement report titled; "Buffalo Gold Limited: Mt Kare, Technical Report Update, 2007" which was prepared as a National Instrument 43-101 (NI 43-101) Technical Report, and the included statements of qualified persons relating to the accuracy of the report, David Meade accepts responsibility for the accuracy of the information supplied herein.

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Appendix: Figures and Photos



Location of Mt Kare Gold/Silver Project in PNG



Mt Kare Project Site, PNG, with Current Resource (in Yellow)



Mt Kare high grade zone - visible gold in prior drillhole MK97-5: 20m @ 444 g/t gold; Prior alluvial gold

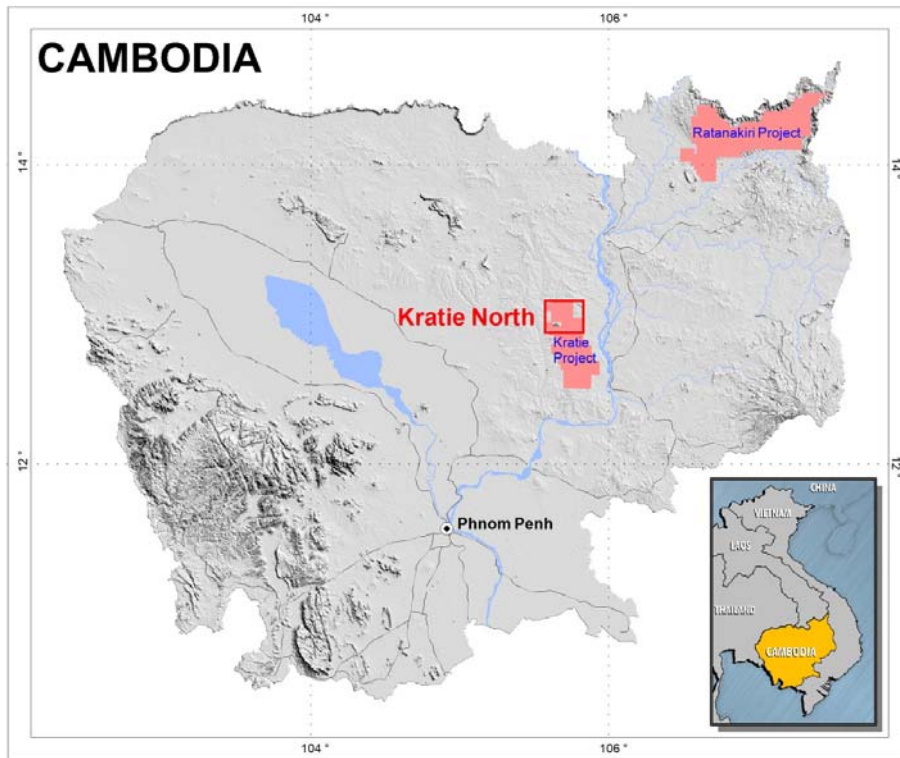
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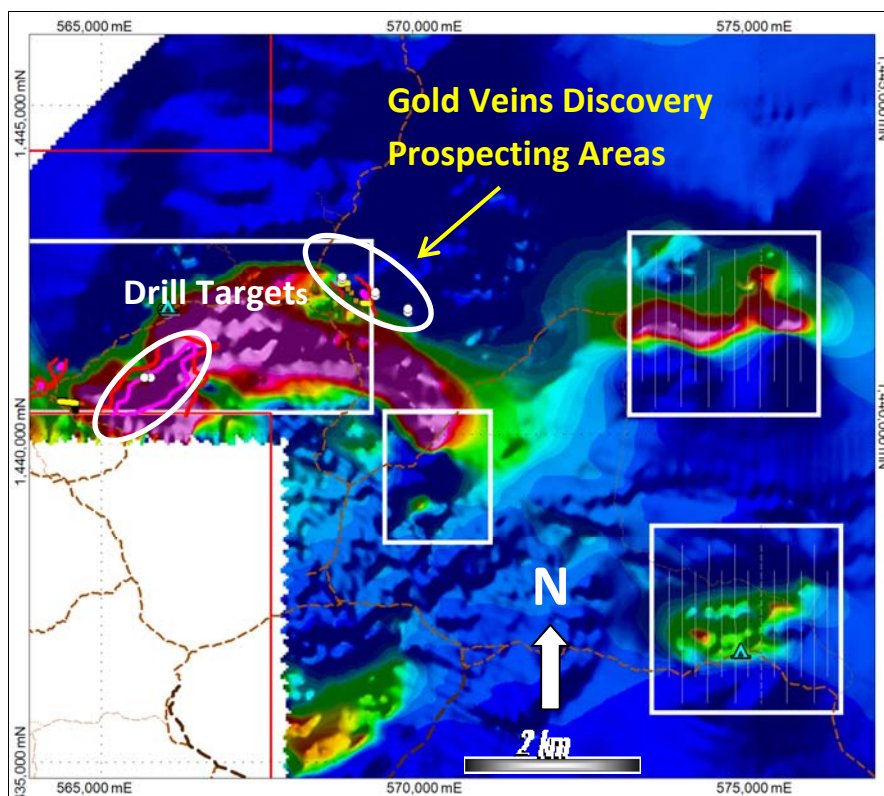
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Location Map of Projects in Cambodia



Kratie North, Cambodia – Geophysical (IP) Survey areas overlain on magnetic data with drill targets

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Kratie North, Cambodia - Gold-bearing Vein material; Example of gold recovered from Veins



Kratie North, Cambodia – Drill rig; Drill core with quartz-pyrite veins in fresh rock

Indochine Mining Limited:

Directors:

Ian Ross – Non-Executive Chairman
 Stephen Gemell – Non-Executive Director
 Gavan Farley – Non-Executive Director

Issued Capital (at 14 April 2011):

415.2 Million Shares (332.2 M tradeable)
(82.0 Million Shares Escrowed to Dec 2012)

Senior Management:

Stephen Promnitz – CEO
 Ashok Jairath – CFO
 David Meade – Chief Geologist

Largest Shareholders:

Och Ziff (12%); Baker Steel (10%)
 BlackRock (~5%); Jabre Capital (~5%)

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Appendix 5B

Mining exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10

Name of entity

INDOCHINE MINING LIMITED

ABN

16 141 677 385

Quarter ended ("current quarter")

31 MARCH 2011

Consolidated statement of cash flows

	Current quarter \$A'000	Year to date (9 months) \$A'000
Cash flows related to operating activities		
1.1 Receipts from product sales and related debtors		
1.2 Payments for (a) exploration & evaluation	(6,295)	(7,307)
(b) development	-	-
(c) production	-	-
(d) administration	(890)	(1,277)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	184	201
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Other (provide details if material)	-	-
Net Operating Cash Flows	(7,001)	(8,383)
Cash flows related to investing activities		
1.8 Payment for purchases of: (a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	(20)	(27)
1.9 Proceeds from sale of: (a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	-	8
1.10 Loans to other entities	-	-
1.11 Loans repaid by other entities	-	-
1.12 Other (provide details if material)	-	-
Net investing cash flows	(20)	(19)
1.13 Total operating and investing cash flows (carried forward)	(7,021)	(8,402)

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(7,021)	(8,402)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	-	20,354
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Other (IPO Costs)	-	(2,007)
	Net financing cash flows	-	18,347
	Net increase (decrease) in cash held	(7,021)	9,945
1.20	Cash at beginning of quarter/year to date	17,656	786
1.21	Exchange rate adjustments to item 1.20	(10)	(106)
1.22	Cash at end of quarter	10,625	10,625

Payments to directors of the entity and associates of the directors
Payments to related entities of the entity and associates of the related entities

		Current quarter \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	306
1.24	Aggregate amount of loans to the parties included in item 1.10	

1.25 Explanation necessary for an understanding of the transactions

An amount of \$ 4,421,000 is included in section 1.2 (a) which represents a part payment for the acquisition of the Mt Kare exploration licence in PNG.

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

Not applicable

2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

Not applicable

+ See chapter 19 for defined terms.

Financing facilities available

Add notes as necessary for an understanding of the position.

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities	-	-
3.2 Credit standby arrangements	-	-

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation : Note 1	8,134
4.2 Development	
4.3 Production	
4.4 Administration	971
Total	9,105

Note 1 : A placement was completed on 14 April 2011 of 53,750,629 shares at \$0.30 which raised \$ 16,125,189

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	3,546	361
5.2 Deposits at call	5,850	17,266
5.3 Bank overdraft	-	-
5.4 Other (Term Deposit)	1,229	29
Total: cash at end of quarter (item 1.22)	10,625	17,656

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

Changes in interests in mining tenements

	Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1	Interests in mining tenements relinquished, reduced or lapsed	Not applicable		
6.2	Interests in mining tenements acquired or increased	EL 525 "Om Smang"	Nil	90%
		EL 526 "Preak Kousieb"	Nil	90%
		Note 2		

Note 2: Mt Kare tenement acquisition in progress as at 31 March 2011

Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1	Preference securities			
	<i>(description)</i>			
7.2	Changes during quarter			
	(a) Increases through issues			
	(b) Decreases through returns of capital, buy-backs, redemptions			
7.3	+Ordinary securities	361,404,196	279,427,720	N/A
7.4	Changes during quarter	400,000	7,380,738	
	(a) Increases through issues			
	(b) Decreases through returns of capital, buy-backs	Note 3		

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

7.5	+Convertible debt securities <i>(description)</i>				
7.6	Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7	Options <i>(description and conversion factor)</i>			<i>Exercise price</i>	<i>Expiry date</i>
	20,000,000			US\$0.25	18 November 2011
	6,080,000			\$0.20	31 October 2012
	10,000,000			\$0.20	28 April 2013
	15,000,000			\$0.20	30 April 2014
	25,000,000			\$0.20	30 September 2014
	1,500,000			\$0.20	30 December 2014
	5,000,000			US\$0.25	17 March 2015
	4,000,000			\$0.20	30 December 2015
	2,000,000			\$0.40	8 February 2013
	400,000			\$0.40	2 March 2013
	3,000,000			\$0.50	8 February 2014
	500,000			\$0.50	2 March 2014
	2,750,000			\$0.20	5 July 2014
	500,000			\$0.20	30 December 2015
7.8	Issued during quarter	9,150,000		Various	Various
7.9	Exercised during quarter	-	-	-	-
7.10	Expired during quarter	20,000,000 cancelled		Various	Various
7.11	Debentures <i>(totals only)</i>				
7.12	Unsecured notes <i>(totals only)</i>				

Note 3: A placement was completed on 14 April 2011 of 53,750,629 shares at \$0.30 which raised \$ 16,125,189

+ See chapter 19 for defined terms.

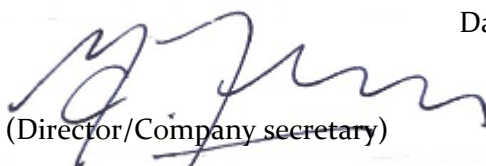
Appendix 5B Mining exploration entity quarterly report

Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 5).
- 2 This statement does ~~does not~~* (*delete one*) give a true and fair view of the matters disclosed.

Sign here:

Date: 29 April 2011



(Director/Company secretary)

Print name: Gavan Hugh Farley

Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Financial Reporting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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+ See chapter 19 for defined terms.