

Quarterly Activities Report - For Quarter Ended 30 September 2014

Company Announcements Office
31 October 2014



Finance

- A\$3.5M capital raising was completed at \$0.032 per share for a total issue of 110,670,000 fully paid ordinary shares. Every two new IDC shares have an attaching unlisted option with a two year expiry and a strike price of \$0.07. Subject to shareholder approval, the total number of options to be issued will be 55,335,000.
- The secured loan facility available to the Company is \$3 million, of which \$1.9 million, including accrued interest, was drawn down as at 30 September 2014. The remaining facility available to the Company for future draw down is \$1.1 million.
- PCF Capital Group were appointed as advisers to the Company with a view to seeking investors interested in pursuing a corporate transaction in relation to the Mt Kare Project. Discussions are ongoing with various parties and the Company anticipates a conclusion in the near future.
- Activities on site are being managed to conserve cash whilst discussions continue in relation to a corporate transaction.

Landowner Investigation Study (LIS)

- 4 volumes of LIS were accepted and registered by the Papua New Guinea (PNG) Mineral Resources Authority (MRA), in fulfilment of the licence condition.

Landowner Investigation Report (LIR)

- Work continued on the LIR with government officials and Landowner clans. The LIR is the means by which the Government of PNG manages natural resources. The completion of the LIR is a precursor to the application for a Mining Lease and is carried out under the PNG Land Act (1966) and the Mining Act (1992). The LIR is the framework that sets out the distribution of financial benefits to the customary clans and landowners identified in the LIS.
- Subsequent to the September 2014 quarter end, the LIR was completed and signed off by the Enga Provincial Administration on 21 October 2014



ASX & POMSx :IDC

Company Directors

Dermott McVeigh

Chairman

Craig Dawson

Non-Executive Director

Keith Murray

Non-Executive Director

Management

George Niumataiwalu

PNG Country Manager

Anthony W Burgess

Technical Geological Consultant

Ashok Jairath

Chief Financial Officer & Co Sec

Kevin Hart

Company Secretary

Major Shareholders

Brian Rodan	11.5%
Baker Steel Capital	10.3%
Genesis Asset Mgmt	8.9%
Capital Group	6.1%

Corporate

Market Cap (28/10/14) ~\$21M

Shares Issued 1,207M

Corporate Address

Level 1, 26 Clive Street
West Perth WA 6005 Australia
info@indochinemining.com
www.indochinemining.com

Quarterly Activities Report - For Quarter Ended 30 September 2014

Current Work on Site

- The site for the proposed exploration adit portal has been identified. Approval from the MRA is awaited for the commencement of preliminary work on the portal and access. Heavy equipment for the development of the exploration adit has been sourced and will be relocated to Mt. Kare once the MRA approval is held.
- Mapping of the extent of the oxide ore, south of the Black Zone (BZ) using glauconitic sand stone as a marker has been completed. The mapping indicates 3 areas of mineralisation for future drill targets.

Exploration Activities

- Application to renew the Exploration Licence (EL) 1093 (which incorporates the Mt Kare Gold Project) was lodged with the MRA. Under the PNG Mining Act 1992, section 112, the current exploration license that reached its expiration date on 28 August 2014, continues to be in force until the renewal application has been determined.

Legal Proceedings

- The Company's wholly owned subsidiary Summit Development Limited (SDL) was served with a summons in PNG by the Kare Puga Development Corporation Limited (KDC) and its Directors. The summons substantively sought injunctive orders to restrain the PNG Minister for Mining from renewing the EL 1093 on the grounds that the Company had not complied with the terms of the license. According to legal advice received by the Company, the summons is without merit and is being vigorously defended.

Cambodian Tenements

- The Company was advised by the Cambodian Ministry of Mines that the Ratanakiri parcel of tenements that were under application for a third extension by way of Ministerial discretion since May 2013 were not renewed.

Cash and Shares on Issue

- The cash position was \$1.1 million at 30 September 2014 (refer to Appendix 5B). The issued capital is 1,206,950,301 fully paid ordinary shares as at 30 September 2014.

Company Changes

- The Head Office and accounting function of the Company were relocated to Perth.

Dermott McVeigh

Chairman, Indochine Mining Limited

P: 1300 782 416

E: info@indochinemining.com

Appendix 5B

Mining exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/2001, 01/06/10.

Name of entity

INDOCHINE MINING LIMITED

ABN

16 141 677 385

Quarter ended ("current quarter")

30 September 2014

Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'ooo	Year to date (3 months) \$A'ooo
1.1 Receipts from product sales and related debtors	-	-
1.2 Payments for (a) exploration & evaluation	(1,854)	(1,854)
(b) development	-	-
(c) production	-	-
(d) administration	(691)	(691)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	1	1
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	(2,544)	(2,544)
Cash flows related to investing activities		
1.8 Payment for purchases of: (a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	-	-
1.9 Proceeds from sale of: (a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	-	-
1.10 Loans to other entities	-	-
1.11 Loans repaid by other entities	-	-
1.12 Other (provide details if material)	-	-
Net investing cash flows	-	-
1.13 Total operating and investing cash flows (carried forward)	(2,544)	(2,544)

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(2,544)	(2,544)
Cash flows related to financing activities			
1.14	Proceeds from issues of shares, options, etc.	3,541	3,541
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings*	881	881
1.17	Repayment of borrowings**	(1,186)	(1,186)
1.18	Dividends paid	-	-
1.19	Other (capital raising costs)	(112)	(112)
Net financing cash flows		3,124	3,124
Net increase (decrease) in cash held		580	580
1.20	Cash at beginning of quarter/year to date	497	497
1.21	Exchange rate adjustments to item 1.20	28	28
1.22	Cash at end of quarter	1,105	1,105

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	32
1.24	Aggregate amount of loans to the parties included in item 1.10	

1.25 **Explanation necessary for an understanding of the transactions**

* Includes draw down of secured loan of \$865,000
 ** Includes repayment of secured loan of \$1,159,240

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

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

+ 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	3,130*	1,904**
3.2 Credit standby arrangements		

*includes \$3,050 of secured loan facility available

**includes \$1,859 of secured loan facility utilised

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	700
4.2 Development	
4.3 Production	
4.4 Administration	350
Total	1,050

The Company is reviewing its near term capital raising options together with seeking joint venture participation in the Mt Kare Project. Discussions with interested parties are ongoing. The timing of future expenditure is dependent on utilising existing cash and financing facilities currently available to the Company and the progression of financing discussions.

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	1,103	196
5.2 Deposits at call	2	301
5.3 Bank overdraft	-	-
5.4 Other	-	-
Total: cash at end of quarter (item 1.22)	1,105	497

+ See chapter 19 for defined terms.

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	Cambodia EL 749 EL 750-755 EL 757 EL 758 EL 760-762	These comprise of Ratanakiri parcel of tenements. Application for third extension under ministerial discretion was not granted.	100%	0%
	EL 1199 – 1200	Agreement JV with Ratanakiri Consultancy Company terminated.	90%	0%
6.2 Interests in mining tenements acquired or increased	NIL			

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 (description)				
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3 +Ordinary securities	1,206,950,301	1,206,950,301	n/a	n/a

+ See chapter 19 for defined terms.

7.4	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	110,670,000 450,000	110,670,000 450,000	\$ 0.032 \$0.135	\$ 0.032 nil
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>			Exercise price	Expiry date
		1,500,000		\$0.20	30/12/14
		5,000,000		US\$0.25	17/03/15
		4,000,000		\$0.20	30/12/15
		42,136,826		\$0.085	03/09/16
	Issued during quarter	42,136,826		\$0.085	03/09/16
7.9	Exercised during quarter				
7.10	Expired during quarter	2,750,000 25,000,000		\$0.20 \$0.20	05/07/14 30/09/14
7.11	Performance options <i>(description)</i>	14,050,000 16,500,000		nil nil	16/01/18 31/03/19
7.12	Issued during quarter				
7.13	Exercised during quarter	450,000		nil	16/01/18
7.14	Expired during quarter				
7.15	Debentures <i>(totals only)</i>				
7.16	Unsecured notes <i>(totals only)</i>				

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 4).
- 2 This statement does give a true and fair view of the matters disclosed.

+ See chapter 19 for defined terms.

Appendix 5B Mining exploration entity quarterly report

Sign here: *Ashok Jairath*
(Company Secretary)

Date: 31 October 2014

Print name: Ashok Jairath

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 1022: Accounting for Extractive Industries* and *AASB 1026: Statement of Cash Flows* apply to this report.
- 5 Accounting Standards ASX will accept, for example, the use of International Accounting 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.

+ See chapter 19 for defined terms.

**Disclosure Required Under Listing Rule 5.3.3 for the
 Quarter Ended 30 September 2014**

31 October 2014

Company Announcements Office
 Australian Securities Exchange

Pursuant to listing rule 5.3.3, Indochine Mining Limited provides the following information:

1) Mining Tenements held at the end of quarter:

Country	Tenement	Number of Tenement	Interest
Papua New Guinea*	EL 1093	1	100%

*Currently under renewal

2) Mining tenements acquired or disposed during the quarter and their location

Country	Tenement	Number of Tenement	Reason
Cambodia	EL 749 EL 750-755 EL 757 EL758 EL 760 – 762	12	Extension of the tenements not granted under ministerial discretion
	EL 1199-1200	2	The JV agreement with Ratanakiri Consulting Company terminated

3) The beneficial percentage interests held in farm – in or farm – out agreements at the end of the quarter: None

4) The beneficial percentage interests in farm – in or farm – out agreements acquired or disposed during the quarter: None

Ashok Jairath
 Company Secretary