



INDOCHINE MINING LIMITED

ACN 141 677 385

NOTICE OF 2012 ANNUAL GENERAL MEETING

Notice is given that the 2012 Annual General Meeting (**Meeting**) of Shareholders of Indochine Mining Limited (**Indochine** or the **Company**) will be held as follows:

Time: 10:30am

Date: Wednesday, 28 November 2012

Place: Edwin Flak Room, Level 5, Sofitel Wentworth Hotel, 61 – 101 Phillip Street, Sydney Australia

This Notice should be read in conjunction with the attached Explanatory Statement and is accompanied by a Proxy Form for those Shareholders wishing to vote by proxy. Please follow the instructions at the end of the Proxy Form carefully.

ORDINARY BUSINESS

Item 1 Financial Report

To receive and consider the Company's Financial Report for the financial year ended 30 June 2012, together with the related Directors' and Auditor's Report.

Note: There is no requirement for Shareholders to approve these reports.

Item 2 Adoption of Remuneration Report

To consider and, if thought fit, to pass the following as an **ordinary resolution**:

"That the Company's Remuneration Report for the financial year ended 30 June 2012 be received, approved and adopted."

Note: The vote on this resolution is advisory only and does not bind the Directors or the Company.

Voting Exclusion

In accordance with the Corporations Act, the Company will disregard any votes cast by or on behalf of any person who is disclosed in the Remuneration Report as a member of the key management personnel (**KMP**) (including any Director), or a Closely Related Party of any KMP, in relation to the proposed resolution in Item 2.

However, the Company need not disregard a vote if:

- a) it is cast by a person as proxy for a person who is permitted to vote, in accordance with the directions on the Proxy Form; or
- b) it is cast by the Chairman of the Meeting as proxy for a person who is permitted to vote, where the Proxy Form does not specify the way the Chairman of the Meeting is to vote and which expressly authorises the Chairman of the Meeting to vote even

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ASX: IDC

though the resolution is connected directly or indirectly with the remuneration of a KMP and even though the Chairman of the Meeting is a member of the KMP.

Item 3 Election of Director – Mr John Shaw

To consider and, if thought fit, to pass the following as an **ordinary resolution**:

“That Mr John Shaw, who was appointed as a Director since the last AGM, retires in accordance with the Company's Constitution and, being eligible for re-election, be re-elected as a Director of the Company.”

Item 4 Election of Director – Mr Ian Ross

To consider and, if thought fit, to pass the following as an **ordinary resolution**:

“That Mr Ian Ross, retiring by rotation in accordance with clause 63 of the Company's Constitution and being eligible for re-election, be re-elected as a Director of the Company.”

SPECIAL BUSINESS

Item 5 Authorisation of Issue of Options

To consider and, if thought fit, to pass the following as an **ordinary resolution**:

“That for the purpose of ASX Listing Rule 7.2 Exception 9 and for all other purposes, approval be given for the operation of the Indochine Mining Limited ACN 141 677 385 Options Plan (**Option Plan**), on the terms and conditions set out in Annexure C and described in the Explanatory Statement.”

Voting Exclusion

The Company will disregard any votes cast on Item 5 by or on behalf of any Director entitled to participate in an employee incentive scheme and their associates.

The Company will also disregard any undirected proxy votes cast on Item 5 by a member of KMP or their Closely Related Parties.

However, the Company need not disregard a vote if:

- a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or
- b) it is cast by the person chairing the Meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

Item 6 Approval of 10% Placement Facility

To consider and, if thought fit, to pass the following resolution as a **special resolution**:

“That pursuant to and in accordance with Listing Rule 7.1A and for all other purposes, Shareholders approve the issue of Equity Securities up to 10% of the issued capital of the Company (at the time of issue) calculated in accordance with the formula prescribed in Listing Rule 7.1A.2 (**10% Placement Facility**) and on the terms and conditions in the Explanatory Statement.”

Voting Exclusion

The Company will disregard any votes cast on Item 6 by a person (or any associate of such a person) who may participate in the 10% Placement Facility and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of Shares, if Item 6 is passed.

However, the Company will not disregard a vote if:

- a) it is cast by the person as proxy for a person who is entitled to vote, in accordance with directions on the Proxy Form;

- b) it is cast by the person chairing the Meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

OTHER BUSINESS

To transact any other business that may be properly brought before the meeting.

Further information in relation to these resolutions is set out in the attached Explanatory Statement.

Dated: 11 October 2012

By order of the Board

A handwritten signature in black ink, appearing to read "Ashok Jairath". The signature is written in a cursive style with a horizontal line underneath the name.

Ashok Jairath
Company Secretary

Entitlement to vote

Pursuant to the Corporations Regulations 2001, the Company has determined that for the purpose of the Meeting, Shares will be taken to be held by persons who are registered holders at 7:00pm (Sydney time) on Monday 26 November 2012. Accordingly, Share transfers registered after that time will be disregarded in determining a Shareholder's entitlement to attend and vote at the Meeting.

How to vote

A member may vote by attending the Meeting in person, by proxy or by authorised representative.

Voting in person

To vote in person, please attend the Meeting on the date and at the place set out above. The Meeting will commence at 10:30am (Sydney time) on Wednesday 28 November 2012.

Corporate Shareholders who wish to appoint a representative to attend the Meeting on their behalf must provide that person with a properly executed certificate of appointment of corporate representative.

Voting by proxy

To be effective, proxy forms must be received by the Company at its registered office at least 48 hours before the time for holding the Meeting.

A Shareholder entitled to attend and vote is entitled to appoint not more than two persons as his/her proxy to attend and vote instead of the Shareholder. A proxy need not be a Shareholder.

If more than one proxy is appointed, the Shareholder may specify the proportion of the Shareholder's voting rights or the number of votes each proxy is appointed to exercise. If the appointment does not specify the proportion or number of the Shareholder's votes each proxy may exercise, each proxy may exercise half of those votes on a poll.

Unless under Power of Attorney (which should have been noted by the Company) a proxy form by a corporation should be executed under its common seal or in accordance with the Corporations Act.

If the proxy is executed under a Power of Attorney, the instrument appointing the attorney must accompany the Proxy Form.

Any instrument of proxy in which the name of the appointee is not filled in shall be deemed to be given in favour of the Chairman of the Meeting.

If a Shareholder appoints the Chairman of the Meeting as proxy, the Shareholder can direct the Chairman of the Meeting how to vote by either marking the boxes on the Proxy Form (Step 2) for Items 2 and 5 of business, or by marking the Chairman's voting authority box on the Proxy Form (Step 1) in which case this will be considered to be an express direction to the Chairman of the Meeting to vote in favour of the proposed resolution in Items 2 and 5 of business even though the resolution is connected directly or indirectly with the remuneration of a member of Key Management Personnel and/or even if the Chairman of the Meeting has an interest in the outcome of these items of business. If the voting authority box is not completed in Step 1, then the Chairman of the Meeting will not cast any votes on your behalf on Items 2 and 5 of business.

Undirected proxies

Subject to the paragraph above, the Chairman of the Meeting intends to vote undirected proxies in favour of all resolutions.

Directed proxies

Under recent amendments to the Corporations Act, there are now new rules relating to how a proxy must vote directed proxies. In summary:

- (a) a proxy need not vote on a show of hands but, if the proxy does vote, the proxy must vote as directed;
- (b) if a proxy is appointed by two or more Shareholders who specify different ways to vote on a resolution, the proxy must not vote on a show of hands;
- (c) if a proxy is the Chairman of the Meeting, the proxy must vote as directed on a poll;
- (d) if the proxy is not the Chairman of the Meeting, the proxy need not vote on a poll but, if the proxy does vote, the proxy must vote as directed; and
- (e) if the proxy is not the Chairman of the Meeting and does not attend the Meeting or does not vote on a resolution, but the proxy form specifies how to vote and a poll is demanded, then the Chairman of the Meeting is taken to have been appointed as a proxy and must vote as directed

Return of Proxies by Mail:

Indochine Mining Limited
C/- Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235

Return of Proxies by Facsimile:

(02) 9287 0309

Return of Proxies by Hand Delivery:

Link Market Services Limited
Level 12, 680 George Street
Sydney NSW 2000

EXPLANATORY STATEMENT

This Explanatory Statement sets out information in connection with the business to be considered at the 2012 Annual General Meeting of Indochine Mining Limited.

ORDINARY BUSINESS

The following items of ordinary business will be considered at the Meeting.

Item 1 Adoption of Financial Report

In accordance with section 317 of the Corporations Act, the Financial Report for the year ended 30 June 2012 together with the related Directors' and Auditor's Reports must be laid before the Meeting for consideration. There is no requirement for Shareholders to approve these reports. However, the Chairman of the Meeting will allow a reasonable opportunity for Shareholders to ask questions or make comments about the reports.

Shareholders will also be given a reasonable opportunity to ask the Company's auditor, questions about the conduct of the audit, the preparation and content of the Auditor's Report, the Company's accounting policies and the independence of the auditor. In accordance with section 250PA of the Corporations Act, Shareholders may submit, to the Company's registered office, written questions to the auditor with regard to the content of the Auditor's Report or the conduct of the audit of the annual financial report to be considered at the Meeting. Such questions, which must be provided to the Company no later than five business days before the Meeting, will be passed on to the auditor for consideration.

As a result of the legislative changes, the 2012 Annual Report has not been automatically mailed to all Shareholders. The 2012 Annual Report can be accessed on the Company's website at www.indochine.com.au.

Item 2 Adoption of Remuneration Report

The Corporations Act requires that a resolution be put to the Shareholders to receive, approve and adopt the Remuneration Report as disclosed in the Directors' Report section of the Annual Report. The Remuneration Report sets out the Company's remuneration information in relation to Non-executive Directors, the Chief Executive Officer and other specified executives, collectively termed Key Management Personnel.

The vote on this resolution is advisory only and non-binding on the Company. The Directors will however take the outcome of the vote into consideration when reviewing remuneration practices and policies.

Shareholders will have the opportunity to ask questions or make comments concerning the Remuneration Report during the Meeting. Under the Corporations Act, if 25% or more of votes that are cast are voted against the adoption of the Remuneration Report at two consecutive annual general meetings, Shareholders will be required to vote at the second of those annual general meetings on a resolution (a "spill resolution") that another meeting be held within 90 days at which all of the Directors (other than the Managing Director and CEO) must go up for re-election. Indochine encourages all Shareholders to cast their votes on Item 2. Shareholders not attending the Meeting may use the enclosed Proxy Form to lodge their vote directly.

Any undirected proxies held by the Key Management Personnel or any of their Closely Related Parties will not be voted on Item 2 (Adoption of Remuneration Report). Key Management Personnel of Indochine are the Directors and those other persons having authority and responsibility for planning, directing and controlling the activities of Indochine, directly or indirectly. The Remuneration Report identifies Indochine's Key Management Personnel for the

financial year to 30 June 2012. Their Closely Related Parties are defined in the Corporations Act, and include certain of their family members, dependants and companies they control.

If you choose to appoint a proxy, you are encouraged to direct your proxy how to vote on Item 2 (Indochine Remuneration Report) by marking either "For", "Against" or "Abstain" on the Proxy Form for that item of business.

Item 3 Election of Director – Mr John Shaw

Mr John Shaw was appointed as a Non-Executive Director of Indochine on 5 December 2011. Under the Company's Constitution, Mr John Shaw retires and, being eligible, wishes to stand for re-election.

The qualifications and experience of Mr John Shaw is set out in the Directors' Report in the Annual Report.

Item 4 Election of Director – Mr Ian Ross

Mr Ian Ross was appointed as a Non-Executive Director of Indochine on 27 January 2010. Under the Company's Constitution, Mr Ian Ross retires by rotation and, being eligible, wishes to stand for re-election.

The qualifications and experience of Mr Ian Ross is set out in the Directors' Report in the Annual Report.

SPECIAL BUSINESS

The following item of special business will be considered at the Meeting.

Item 5 – Authorisation of Issue of Options

Under Listing Rule 7.1, the Company may issue Equity Securities to a maximum of 15% of the total issued Equity Securities in the Company in any 12-month period without obtaining Shareholder approval. Listing Rule 7.2 Exception 9 contains an exception to the 15% limit where Shareholders have approved the issue of securities under an employee incentive scheme within 3 years before the date of issue of securities. It is common for companies to obtain approvals of the issue of securities pursuant to an employee incentive scheme every 3 years, so that Listing Rule 7.2 Exception 9 continues to apply to the company's employee incentive scheme.

Accordingly, the Company is seeking Shareholder approval of the Option Plan under Listing Rule 7.2 (Exception 9).

The total number of Options over unissued Shares in the Company that may be issued under this Option Plan and any other employee incentive plan at any time shall not exceed 5% of the total number of Shares on issue from time to time, calculated in accordance with Class Order CO 03/184.

The Option Plan offers eligible employees the opportunity to receive Options to acquire Shares. The exercise of these Options into Shares is conditional upon the satisfaction of exercise conditions (which may include performance conditions) specified by the Board, at their discretion, on the granting of the Options. If the Options issued under the Option Plan are exercised, the issue of Shares upon such exercise may have dilutive effect on your Shareholding.

All of the Directors, who at the date of the Notice are Ian Ross, Gavan Farley, Stephen Gemell and John Shaw, are eligible to participate in the Option Plan. However, importantly, Options cannot be issued to Directors under the Option Plan without the approval of Shareholders.

The following information is also provided in accordance with Listing Rule 7.2 Exception 9:

1. A summary of the terms of the Option Plan and the Option Share Trust are set out in Annexures C and B;
2. The number of current Options issued under the Option Plan is nil; and
3. The standard terms of the Options are set out in Annexure A.

Item 6 Approval of 10% Placement Facility

6.1 General

Listing rule 7.1A enables eligible entities to issue Equity Securities up to 10% of its issued share capital through placement over 12 month period after the annual general meeting (**10% Placement Facility**). The 10% Placement Facility is in addition to the Company's 15% placement facility under Listing Rule 7.1.

An eligible entity for the purposes of Listing Rule 7.1A is an entity that is not included in the S&P/ASX 300 Index and has a market capitalisation of \$300 million or less. The Company is an eligible entity.

The Company is now seeking Shareholder approval by way of a special resolution to have the ability to issue Equity Securities under the 10% Placement Facility.

The exact number of Equity Securities to be issued under the 10% Placement Facility will be determined in accordance with the formula prescribed in Listing Rule 7.1A.2 (refer Section 6.2(c) below).

The Company may use the 10% Placement Facility to progress the Mt Kare Bankable Feasibility Study (BFS) and for general working capital.

The Directors of the Company believe that Item 6 is in the best interest of the Company and unanimously recommend that Shareholders vote in favour of Item 6.

6.2 Description of Listing Rule 7.1A

a) Shareholder Approval

The ability to issue Equity Securities under the 10% Placement Facility is subject to shareholder approval by way of a special resolution at an annual general meeting. A special resolution requires approval of 75% of the votes cast by shareholders present and eligible to vote (in person, by proxy, by attorney or, in the case of a corporate shareholder, by a corporate representative).

b) Equity Securities

Any Equity Securities under the 10% Placement Facility must be in the same class as an existing quoted class of Equity Securities in the Company.

The Company, as at the date of the Notice, has two classes of Equity Securities on issue, Shares and Unlisted Options.

c) Formula for calculating 10% Placement Facility

Listing Rule 7.1.A.2 provides that eligible entities which have obtained shareholder approval at an annual general meeting may issue or agree to issue, during the 12 month period after the date of the annual general meeting, a number of Equity Securities calculated in accordance with the following formula:

$$(A \times D) - E$$

- A** is the number of shares on issue 12 months before the date of issue or agreement
- Plus the number of fully paid shares issued in the 12 months under exception in Listing Rule 7.2;
 - Plus the number of partly paid shares that became fully in the 12

months;

- Plus the number of fully paid shares issued in the 12 months with the approval of holders of shares under Listing Rule 7.1 and 7.4. This does not include an issue of fully paid shares under the entity's 15% placement capacity without shareholder approval;
- Less the number of fully paid shares cancelled in the 12 months

Note that A has the same meaning in Listing Rule 7.1 when calculating an entity's 15% placement capacity.

D is 10%

E is the number of Equity Securities issued or agreed to be issued under Listing Rule 7.1A.2 in the 12 months before the date of the issue or agreement to issue that are not issued with the approval of shareholders under Listing Rule 7.1 or 7.4

d) Listing Rule 7.1 and Listing Rule 7.1A

The ability of an entity to issue Equity Securities under Listing Rule 7.1A is in addition to an entity's placement capacity under Listing Rule 7.1.

At the date of this Notice, the Company has on issue 628,283,322 Shares and therefore has a capacity to issue:

- (i) 94,242,498 Equity Securities under Listing Rule 7.1; and
- (ii) Subject to Shareholder approval being sought under Item 6, 62,828,332 Equity Securities under Listing Rule 7.1A.

The actual number of Equity Securities that the Company will have capacity to issue under Listing Rule 7.1A will be calculated at the date of issue of the Equity Securities in accordance with the formula prescribed in the Listing Rule 7.1A.2 (refer Section 6.2(c) above).

e) Minimum Issue Price

The issue price of Equity Securities issued under Listing Rule 7.1A must be not less than 75% of the VWAP of Equity Securities in the same class calculated over the 15 Trading Days immediately before:

- (i) the date on which the price at which the Equity Securities are to be issued is agreed; or
- (ii) if the Equity Securities are not issued within 5 Trading Days of the date in paragraph (i) above, the date on which the Equity Securities are issued.

f) 10 % Placement Period

Shareholder approval of the 10% Placement Facility under Listing Rule 7.1A is valid from the date of the annual general meeting at which the approval is obtained and expires on the earlier to occur of:

- (i) the date which is 12 months after the date of the annual general meeting at which the approval is obtained; or
- (ii) the date of the approval by the shareholders of a transaction under Listing Rule 11.1.2 (a significant change to the nature or scale of activities) or Listing Rule 11.2 (disposal of main undertaking),

or such longer period if allowed by ASX (**10% Placement Period**).

6.3 Listing Rule 7.1A

The effect of Item 6 will be to allow Directors to issue the Equity Securities under Listing Rule 7.1A during the 10% Placement Period without using the Company's 15% placement capacity under Listing Rule 7.1.

Item 6 is a special resolution and therefore requires approval of 75% of the votes cast by Shareholders present and eligible to vote (in person, by proxy, by attorney or, in the case of a corporate Shareholder, by a corporate representative).

6.4 Specific Information required by Listing Rule 7.3A

Pursuant to and in accordance with Listing Rule 7.3A, information is provided in relation to the approval of the 10% Placement Facility as follows:

- (a) The Equity Securities will be issued at an issue price of not less than 75% of the VWAP for the Company's Equity Securities over the 15 Trading Days immediately before:
- (i) the date on which the price at which the Equity Securities are to be issued is agreed; or
 - (ii) if the Equity Securities are not issued within 5 Trading Days of the date in paragraph (i) above, the date on which the Equity Securities are issued.
- (b) If Item 6 is approved by Shareholders and the Company issues Equity Securities under the 10% Placement Facility, the existing Shareholders' voting power in the Company will be diluted as shown in the below table (in case of Options, only if they are exercised). There is a risk that:
- (i) the market price for the Company's Equity Securities may be significantly lower on the date of the issue of the Equity Securities than on the date of the Meeting; and
 - (ii) the Equity Securities may be issued at a price that is at a discount to the market price for the Company's Equity Securities on the issue date or Equity Securities are issued as part of the consideration for the acquisition of new asset,

which may have an effect on the amount of funds raised by the issue of the Equity Securities.

The below table shows dilution of existing Shareholders on the basis of the current market price of Shares and the current number of ordinary securities for variable "A" calculated in accordance with the formula in Listing Rule 7.1A(2) as at the date of this Notice.

The table also shows:

- (i) two examples where variable "A" has increased, by 50% and 100%. Variable "A" is based on the number of ordinary securities the Company has on issue. The number of ordinary securities on issue may increase as a result of issue of ordinary securities that do not require Shareholder approval (for example, a pro rata entitlements issue or scrip issued under a takeover offer) or future specific placement under Listing Rule 7.1 that are approved at a future Shareholders' meeting; and
- (ii) two examples of where the issue price of ordinary securities has decreased by 50%, and increased by 50% as against the current market price.

Variable 'A' in Listing Rule 7.1A.2		Dilution		
		\$0.075 50% decrease in Issue Price	\$0.15 Issue Price	\$0.30 100% in Issue Price
Current Variable A 628,283,322 Shares	10% Voting Dilution	62,828,332	62,828,332	62,828,332
	Funds	\$ 4,712,125	\$ 9,424,250	\$ 18,848,500

	Raised			
50% increase in current Variable A 942,424,983 Shares	10% Voting Dilution	94,242,498	94,242,498	94,242,498
	Funds Raised	\$ 7,068,187	\$ 14,136,375	\$ 28,272,749
100% increase in current Variable A 1,256,566,644	10% Voting Dilution	125,656,664	125,656,664	125,656,664
	Funds Raised	\$ 9,424,250	\$ 18,848,500	\$ 37,696,999

The table has been prepared on the following assumptions:

- (i) The Company issues the maximum number of Equity Securities available under the 10% Placement Facility.
 - (ii) No listed Options (including any listed Options issued under the 10% Placement Facility) are exercised into Shares before the date of the issue of the Equity Securities.
 - (iii) The 10% voting dilution reflects the aggregate percentage dilution against the issued share capital at the time of issue. This is why the voting dilution is shown in each example as 10%.
 - (iv) The table does not show an example of dilution that may be caused to a particular Shareholder by reason of placement under the 10% Placement Facility, based on that Shareholder's holding at the date of the Meeting.
 - (v) The table shows only the effect of the issue of Equity Securities under Listing Rule 7.1A, not under the 15% placement capacity under Listing Rule 7.1.
 - (vi) The issue of Equity Securities under the 10% Placement Facility consists only of Shares. If the issue of Equity Securities includes listed Options, it is assumed that those listed Options are exercised into Shares for the purpose of calculating the voting dilution effect on existing Shareholders.
 - (vii) The issue price is \$0.15, being the closing price of the Shares on ASX on 1 October 2012.
- (c) The Company will only issue and allot the Equity Securities during the 10% Placement Period. The approval under Item 6 for the issue of Equity Securities will cease to be valid in the event that Shareholders approve a transaction under Listing Rule 11.1.2 (a significant change in nature or scale of activities) or Listing Rule 11.2 (disposal of main undertaking).
- (d) The Company may seek an issue of the Equity Securities for the following purposes:
- (i) Non-cash consideration for the acquisition of the new resources assets and investments. In such circumstances the Company will provide a valuation of the non-cash consideration as required by Listing Rule 7.1A.3; or
 - (ii) Cash consideration. In such circumstances, the Company intends to use the funds raised towards continued exploration and Bankable Feasibility Study (BFS) expenditure on the Company's current assets and/or general working capital.

The Company will comply with the disclosure obligations under Listing Rules 7.1A(4) and 3.10.5A upon issue of any Equity Securities.

The Company's allocation policy is dependent on the prevailing market conditions at the time of any proposed issue pursuant to the 10% Placement Facility. The identity of the allottees of Equity Securities will be determined on a case-by-case basis having regard to the factors including but not limited to the following:

- (i) the methods of raising funds that are available to the Company, including but not limited to, rights issue or other issues in which existing security holders can participate;
- (ii) the effect of the issue of the Equity Securities on the control of the Company;

- (iii) the financial situation and solvency of the Company; and
- (iv) advice from corporate, financial and broking advisers (if applicable).

The allottees under the 10% Placement Facility have not been determined as at the date of this Notice but may include existing substantial Shareholders and/or new Shareholders who are not related parties or associates of a related party of the Company.

Further, if the Company is successful in acquiring new resources assets or investments, it is likely that the allottees under the 10% Placement Facility will be vendors of the new resources assets or investments.

- (e) The Company has not previously obtained Shareholder approval under Listing Rule 7.1A.
- (f) A voting exclusion statement is included in the Notice. At the date of the Notice, the Company has not approached any particular existing Shareholder or security holder or an identifiable class of existing security holders to participate in the issue of the Equity Securities. No existing Shareholder's votes will therefore be excluded under the voting exclusion for Item 6.

Glossary

10% Placement Facility means the facility under Listing Rule 7.1A to allow the Company to issue Equity Securities up to 10% of its issued share capital through placement over 12 month period after the annual general meeting.

Annual Report means the annual report of the Company for the financial year ended 30 June 2012.

ASX means ASX Limited ACN 008 624 691.

Board means the board of Directors.

Closely Related Party of a member of the Key Management Personnel means:

- (a) a spouse or child of the member;
- (b) a child of the member's spouse;
- (c) a dependant of the member or of the member's spouse;
- (d) anyone else who is one of the member's family and may be expected to influence the member, or be influenced by the member, in the member's dealings with the entity;
- (e) a company the member controls; or
- (f) a person prescribed by the *Corporations Regulations 2001 (Cth)*.

Company or **Indochine** means Indochine Mining Limited, ABN 16 141 677 385.

Corporations Act means the *Corporations Act 2001 (Cth)*.

Directors mean the directors of the Company.

Equity Securities has the same meaning as in the Listing Rules.

Explanatory Statement means this explanatory statement that accompanied and forms part of the Notice.

Key Management Personnel or **KPM** has the same meaning as in the accounting standards (so the term broadly includes those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any Director, whether executive or otherwise, of the Company).

Listing Rules mean the listing rules of the ASX.

Meeting means the annual general meeting convened by the Notice of Annual General Meeting.

Notice of Annual General Meeting or **Notice** means the notice of annual general meeting to which this Explanatory Statement is attached.

Option means an option to acquire a Share.

Option Plan means the employee incentive scheme, the subject of Item 5 of business in the Notice and a summary of which is set out in Annexure C.

Proxy Form means the proxy form attached to or accompanying the Notice.

Remuneration Report means the section in the Directors' Report contained in the Annual Report of the Company titled 'Remuneration Report'.

Share means a fully paid ordinary share in the capital of the Company.

Shareholder means the holder of a Share.

Trading Day has the same meaning as in the Listing Rules.

ANNEXURE A – TERMS OF OPTIONS

1. No monies will be payable for the issue of the Options.
2. A Certificate will be issued for the Options.
3. The Options shall expire five years after the day on which the Options are issued.
4. Notwithstanding any other terms and conditions of the Options, all Options may be exercised:
 - (a) during a Bid Period; or
 - (b) upon the occurrence of a Change of Control Event; or
 - (c) on an application under section 411 of the Corporations Act, if a court orders that a meeting be held concerning a proposed compromise or arrangement for the purposes of or in connection with a scheme for the reconstruction of the Company or its amalgamation with any other company.
5. Each Option shall carry the right in favour of the Option holder to subscribe for one Share.
6. Options may be exercised in whole or in part.
7. Shares allotted to Option holders on the exercise of Options shall be issued at the price specified in the resolution of Directors approving the issue of the Options.
8. The issue price of Shares the subject of the Options shall be deemed to have been paid in full on payment of the exercise price of the Options.
9. Subject to clause 21 of these Option Terms:
 - (a) Options shall be exercisable by the delivery to the registered office of the Company of a notice in writing stating the intention of the Option holder to exercise all or a specified number of Options held by him accompanied by an Option certificate and a cheque made payable to the Company for the subscription monies for the Shares; and
 - (b) an exercise of only some Options shall not affect the Option of the Option holder to the balance of the Options held by him.
10. The Company shall allot the resultant Shares within five (5) Business Days of the exercise of the Option.
11. No application will be made for the Options to be listed for Official Quotation on ASX.
12. Shares allotted pursuant to an exercise of Options shall rank, from the date of allotment, equally with existing Shares of the Company in all respects.
13. The Company shall, in accordance with the Listing Rule 2.8, make application to have Shares allotted pursuant to an exercise of Options listed for Official Quotation.
14. If the Options are exercised before the record date of an entitlement, the Option holder can participate in a pro rata issue to the holders of the underlying securities in the Company. The Company must notify the Option holder of the proposed issue at least nine business days before the record date. Option holders do not have a right to participate in new issues without exercising their options in accordance with Listing Rule 6.19.
15. In the event of any reorganisation of capital of the Company, all Option of the Option holder will be changed to the extent necessary to comply with the Listing

Rules applying to a re-organisation of capital at the time of the re-organisation in accordance with the Listing Rules.

16. The Options will not give any right to participate in dividends until Shares are allotted pursuant to the exercise of the relevant Options.

17. In the event that a pro rata issue (except a bonus issue) is made to the holders of the underlying securities in the Company, the exercise price of the Options may be reduced according to the following formula:

$$O' = \frac{O - E[P - (S + D)]}{N + 1}$$

Where:

- O' = the new exercise price of the Option.
- O = the old exercise price of the Option.
- E = the Option.
- P = the number of underlying securities in the Company into which one option is exercisable.
- S = the average market price per security (weighted by reference to volume) of the underlying securities in the Company during the five (5) trading days ending on the day before the ex Option date or ex entitlements date.
- S = the subscription price for a security under the pro rata issue.
- D = the dividend due but not yet paid on the existing underlying securities (except those to be issued under the pro rata issue).
- N = the number of securities with Option or entitlements that must be held to receive a right to one new security in the Company.
18. The number of Shares to be issued pursuant to the exercise of Options will be adjusted for bonus issues made prior to exercise of Options. The effect will be that upon exercise of the Options the number of Shares received by the Option holder will include the number of bonus Shares that would have been issued if the Options had been exercised prior to the record date for bonus issues. The exercise price of the Options shall not change as result of any such bonus issue.
19. The Company shall notify each Option holder and ASX within one (1) month after the record date for a pro-rata bonus or cash issue of the adjustment to the number of Shares over which the Option exists and/or the adjustment to the exercise price.
20. Options may be converted into Shares to be held in the name of the Option holders' nominee.
21. The Option may be exercised in whole or in part in parcels of not less than 1,000, except if the Optionholder holds less than 1,000 Options in which case, all Options held by the Optionholder must be exercised together.
22. Options/Options to be issued during the financial year ended 30 June 2013 will, be subject to the following stretch vesting conditions:
- (i) 25% will be conditional on the Indochine's Share price attaining 35 cents VWAP over 10 trading days
 - (ii) 25% will be conditional on the Indochine's Share price attaining 50 cents VWAP over 10 trading days
 - (iii) 25% will be conditional on the Indochine's Share price attaining 75 cents VWAP over 10 trading days
 - (iv) 25% will be conditional on the production of 5,000 ounces of gold

Unless the context otherwise requires, capitalised terms used in these terms and not otherwise defined have the same meanings as in the ASX Listing Rules.

ANNEXURE B – DETAILS OF THE OPTION SHARE TRUST

The Company has established the Indochine Mining Limited Share Option Trust (**OST**). The OST Trustee is a special purpose company known as Indochine Mining Share Plan Pty Ltd. The beneficial interest in the OST is divided into Option Units.

The OST operates in conjunction with the existing Indochine Mining Option Plan, as described below.

The OST allows certain directors and employees selected by the Board of Directors to be offered the benefit of shares and options in Indochine Mining Limited. The key reasons for the establishment of the OST are:

1. Indochine has found that a traditional employee option plan on its own does not facilitate retention of shares by employees after exercise of their options. The reason is that many employees find it necessary to immediately sell their shares in order to fund the exercise of their options. The OST structure enables the exercise of employee options to be funded from the OST, as described below. This will enable shares to be retained in the OST for the benefit of employees following the exercise of options.
2. Facilitating the retention of shares for the benefit of employees after the exercise of options will also assist with the retention of key employees.
3. A traditional employee option plan on its own creates complex taxation issues for employees. The taxation issues for employees arising from the OST are simpler because the employees own Option Units in the OST and they do not directly own options in the Company.

The key steps that will occur when options are issued to the OST under the Indochine Mining Option Plan to be allocated for the benefit of a director or an employee (the "**Employee**") are as follows:

1. Indochine issues the options to the OST. Indochine makes a contribution to the OST equal to the value of the options (as determined under AASB2) and the options are issued to the OST at that value.
2. The OST provides an interest free loan to the Employee equivalent to the value of the options to enable the Employee to subscribe for Option Units in the OST. The loan is non-recourse. The Option Units in the OST are issued for a consideration equal to the value of the options issued for the benefit of the Employee.
3. After the applicable vesting period (and performance conditions are met) the Employee can direct the OST to exercise the options. If the OST requires additional cash to exercise the options, this amount may be advanced by Indochine to the OST, subject to repayment by the employee as described below.
4. If, following exercise of the options, the underlying shares are to be sold, the Employee's Option Units are redeemed and the Employee receives an amount equivalent to the net consideration from the sale of the underlying shares (less repayment of any loans and other amounts owing by the Employee).

Annexure C - Option Plan Summary

In accordance with Listing Rule 7.2 Exception 9(b), below is a summary of the key terms and conditions of the Option Plan.

Limitation on the size of the Option Plan

Subject to any relevant exceptions, including an exception set out in any ASIC Class Order, no offer of Options will be made if it would result in the aggregate of:

- the maximum number of shares subject to Options acquired under an offer;
- the total number of shares which would be issued if all outstanding options were exercised; and
- the total number of shares issued in the five year period prior to the date of the offer, due to the exercise of options issued under the Option Plan,

exceeding 5% of the total number of Shares on issue at the time of the offer.

Terms of the Option Plan

Eligibility to participate

An 'Eligible Participant' is a person who the Board determines is entitled to receive an offer under the Option Plan and includes any full-time, part-time or casual employees of the Company or a related body corporate, directors of the Company, contractors or any other person as the Board, in its absolute discretion determines (**Participant**).

Offer of Options

Under the Option Plan the Board has the discretion to set the terms of an offer of options to an 'Eligible Participant' including:

- the nominal consideration (if any) payable for the Options;
- the amount payable for the exercise of the Option; and
- the conditions (if any) which must be satisfied before the Participant can exercise the Options issued under the Option Plan (**Performance Conditions**).

Participant rights

Each Option entitles the Participant to subscribe for and be issued one share upon the exercise of an Option. Such shares will rank equally with all other issued shares.

The Options issued under the Option Plan will not be quoted on the ASX. The Company shall make an application to the ASX for the quotation of the shares issued pursuant to an exercise of Options by a Participant.

The Participant shall be sent all reports and accounts laid before Shareholders of the Company; however the Participant shall have no interest in a share the subject of an Option until the share is issued under the Option Plan. The Participant, simply as a holder of Options issued under the Option Plan, will not have the right to any dividends or to vote at Shareholder meetings.

The Option Plan does not purport to confer any rights on an employee to receive an offer or to continue as an employee and the Option Plan does not affect the Company's right to terminate the employment or contract of any Participant.

Exercise of options

A Participant may exercise an Option during the exercise period specified in the offer received by the Participant, provided the Performance Conditions (if any) have been satisfied.

The exercise price shall be determined at the Board's discretion.

The exercise period will be determined by the Board. Unless the Board determines otherwise, or in the case of special circumstances, any Options do not vest (if applicable) or lapse as a result of the Participant ceasing employment or terminating a contract. In these circumstances the Board may determine that:

- a. some (e.g. a time based, pro-rata proportion) or all unvested Options vest and become exercisable;
- b. some (e.g. a time based, pro-rata proportion) or all vested but unexercised Options are only exercisable for a prescribed period and will otherwise lapse; or
- c. some or all Options (vested or unvested) lapse with effect three (3) months from the Cessation Date.

The Options shall be exercisable in the form and manner determined by the Board.

Takeover of the Company

If a takeover offer is made the Board must consider whether, and may in its absolute discretion determine that all or a specified number of a Participant's unvested Options vest on a pro rata basis, having regard to whether performance is in line with the Performance Conditions over the period from the date of the grant of the Options.

Lapse of Options

Options issued to a Participant will lapse on the earliest to occur of:

- a date specified by the Board in the Performance Conditions;
- any unauthorised dealing with the Option;
- the date determined in connection with the cessation of employment or contract of a Participant;
- failure to meet any Performance Condition applicable to the Option within the prescribed period; or

- five years from the date of the grant of the Option.

The effect of a lapse of Options is that the Participant loses all rights under the Option Plan to the Options or the underlying shares.

Disposal restrictions

The Participant shall hold the Options in their personal capacity or in the name of the trustee of the OST and Options may not be exercised, transferred or disposed to any other person. Any such dealing will not be recognised in any manner by the Company, unless the Board determines otherwise.

Administration and discretion of the Board

The Option Plan may be amended, waived or modified by the Board at any time. The Board has complete control over the administration of the Option Plan and may terminate or suspend its operation at its absolute discretion. However, without the consent of the Participant, the Board may not exercise its powers to amend the Option Plan in a manner which reduces the rights of the Participant in respect of any granted Option or share already granted other than an amendment introduced primarily:

- for the purposes of complying with present or future laws governing the Option Plan.
- to correct any manifest error or mistake; or
- to take into consideration possible adverse tax implications in respect of the Option Plan

Customary terms

The Option Plan Rules also contain customary and usual terms for dealing with the administration of the Option Plan. However, the Option Plan is subject to the overriding application of the Corporations Act and the Listing Rules, including rules for participation in rights issues and treatment under reorganisations of capital and bonus issues.



By mail:
Indochine Mining Limited
C/- Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235 Australia



By fax: +61 2 9287 0309



All enquiries to: Telephone: 1300 554 474 Overseas: +61 2 8280 7111



X99999999999

SHAREHOLDER VOTING FORM

I/We being a member(s) of Indochine Mining Limited and entitled to attend and vote hereby appoint:

STEP 1

APPOINT A PROXY

A **the Chairman of the Meeting (mark box)** OR if you are NOT appointing the Chairman of the Meeting as your proxy, please write the name of the person or body corporate (excluding the registered shareholder) you are appointing as your proxy. I/we appoint the Chairman of the Meeting as an alternate proxy to the person named.

If no person/body corporate is named, the Chairman of the Meeting, is appointed as my/our proxy and to vote for me/us on my/our behalf at the Annual General Meeting of the Company to be held at 10:30am on Wednesday, 28 November 2012, at Edwin Flak Room, Level 5, Sofitel Wentworth Hotel, 61-101 Phillip Street, Sydney, Australia and at any adjournment or postponement of the meeting.

Express authorisation for the Chairman of the Meeting to exercise undirected proxies on remuneration related resolutions: Where I/we have appointed the Chairman of the Meeting as my/our proxy (or the Chairman of the Meeting becomes my/our proxy by default), I/we expressly authorise the Chairman of the Meeting to exercise my/our proxy on **Items 2 and 5** (except where I/we have indicated a different voting intention below) even though each of these resolutions are connected directly or indirectly with the remuneration of a member of key management personnel. The express authorisation of the Chairman of the Meeting is also subject to your marking box B below.

B **Important for Items 2 and 5:** If the Chairman of the Meeting is your proxy and you have not directed the Chairman of the Meeting how to vote on **Items 2 and 5** below, please mark box B.

I/We acknowledge that the Chairman of the Meeting may exercise my/our proxy even if the Chairman of the Meeting has an interest in the outcome of **Items 2 and 5**, and that votes cast by the Chairman of the Meeting (other than as proxy holder) on those items would be disregarded because of that interest.

If you do not mark this box and you have not otherwise directed your proxy how to vote on these resolutions, the Chairman of the Meeting will not cast your votes on **Items 2 and 5** and your votes will not be counted in computing the required majority if a poll is called on these resolutions.

The Chairman of the Meeting intends to vote undirected proxies in favour of all items of business.

Proxies will only be valid and accepted by the Company if they are signed and received no later than 48 hours before the meeting.

Please read the voting instructions overleaf before marking any boxes with an

STEP 2

VOTING DIRECTIONS

Items of Business	For	Against	Abstain*		For	Against	Abstain*
2 Adoption of Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	5	Authorisation of Issue of Options	<input type="checkbox"/>	<input type="checkbox"/>
3 To re-elect Mr John Shaw as a director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	6	Approval of 10% Placement Facility	<input type="checkbox"/>	<input type="checkbox"/>
4 To re-elect Mr Ian Ross as a director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				

i * If you mark the Abstain box for a particular Item, you are directing your proxy not to vote on your behalf on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

STEP 3

SIGNATURE OF SHAREHOLDERS - THIS MUST BE COMPLETED

Shareholder 1 (Individual)

Sole Director and Sole Company Secretary

Joint Shareholder 2 (Individual)

Director/Company Secretary (Delete one)

Joint Shareholder 3 (Individual)

Director

This form should be signed by the shareholder. If a joint holding, either shareholder may sign. If signed by the shareholder's attorney, the power of attorney must have been previously noted by the registry or a certified copy attached to this form. If executed by a company, the form must be executed in accordance with the company's constitution and the *Corporations Act 2001* (Cth).

IDC PRX201R



HOW TO COMPLETE THIS PROXY FORM

Your Name and Address

This is your name and address as it appears on the company's share register. If this information is incorrect, please make the correction on the form. Shareholders sponsored by a broker should advise their broker of any changes. **Please note: you cannot change ownership of your shares using this form.**

Appointment of a Proxy

If you wish to appoint the Chairman of the Meeting as your proxy, mark box A in Step 1. If the person you wish to appoint as your proxy is someone other than the Chairman of the Meeting please write the name of that person in Step 1. If you appoint someone other than the Chairman of the Meeting as your proxy, you will also be appointing the Chairman of the Meeting as your alternate proxy to act as your proxy in the event the named proxy does not attend the meeting.

Votes on Items of Business - Proxy Appointment

You may direct your proxy how to vote by placing a mark in one of the boxes opposite each item of business. All your shares will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any item by inserting the percentage or number of shares you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on the items of business, your proxy may vote as he or she chooses. If you mark more than one box on an item your vote on that item will be invalid.

Appointment of a Second Proxy

You are entitled to appoint up to two persons as proxies to attend the meeting and vote on a poll. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by telephoning the company's share registry or you may copy this form and return them both together. The appointment of the Chairman of the Meeting as your alternate proxy also applies to the appointment of the second proxy.

To appoint a second proxy you must:

- on each of the first Proxy Form and the second Proxy Form state the percentage of your voting rights or number of shares applicable to that form. If the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half your votes. Fractions of votes will be disregarded.
- return both forms together.

Signing Instructions

You must sign this form as follows in the spaces provided:

Individual: where the holding is in one name, the holder must sign.

Joint Holding: where the holding is in more than one name, either shareholder may sign.

Power of Attorney: to sign under Power of Attorney, you must lodge the Power of Attorney with the registry. If you have not previously lodged this document for notation, please attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the *Corporations Act 2001*) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please indicate the office held by signing in the appropriate place.

Corporate Representatives

If a representative of the corporation is to attend the meeting the appropriate "Certificate of Appointment of Corporate Representative" should be produced prior to admission in accordance with the Notice of Meeting. A form of the certificate may be obtained from the company's share registry.

Lodgement of a Proxy Form

This Proxy Form (and any Power of Attorney under which it is signed) must be received at an address given below by **10:30am on Monday, 26 November 2012**, being not later than 48 hours before the commencement of the meeting. Any Proxy Form received after that time will not be valid for the scheduled meeting.

Proxy Forms may be lodged using the reply paid envelope or:



ONLINE

www.linkmarketservices.com.au

Login to the Link website using the holding details as shown on the proxy form. Select 'Voting' and follow the prompts to lodge your vote. To use the online lodgement facility, shareholders will need their "Holder Identifier" (Securityholder Reference Number (SRN) or Holder Identification Number (HIN) as shown on the front of the proxy form).



by mail:

Indochine Mining Limited
C/- Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235
Australia



by fax:

+61 2 9287 0309



by hand:

delivering it to Link Market Services Limited, 1A Homebush Bay Drive, Rhodes NSW 2138.

**If you would like to attend and vote at the Annual General Meeting, please bring this form with you.
This will assist in registering your attendance.**