

Landowner Investigation Study for Mt Kare Gold Project Nears Completion

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- Strong Support Received from Local Landowner Clan Groups
- Melanesian Approach Secures Support in Survey of Customary Land Boundaries
- Clans, Government and District Representatives, Surveyors, Community Affairs & Sociologist on-site
- Mt Kare Landowner Investigation Study being referenced in local media and conferences
- Landowner Investigation Study to be included in final submission of Landowner Investigation Report
- Indochine on-track to apply for mining licence August 2014

Indochine Mining Limited (ASX & POMSoX: IDC, "Indochine") is pleased to report that the final stage of the Landowner Investigation Study (LIS) at the Mt Kare Gold Project is successfully nearing completion - a key milestone for the company.

The on-site survey requires a ground survey of the location of the land boundaries amongst the clans identified in the LIS and is to be included in the final submission of the Landowner Investigation Report (LIR). Identified genuine landowners have been walking the ground as required under customary and State law to confirm and validate their ownership rights and agree these with neighbouring clans (see images attached).

Indochine is very encouraged by the support from landowner clan groups in both the Paiela (Enga Province) and Tagali (Hela Province) areas using the 'Melanesian Approach' in the ground survey of customary clan land boundaries at Mt Kare. This corroborates the strong local support which is instrumental for long term development and security of the project.

Representatives of the government, district administrators, registered surveyors, the community affairs team and a well-respected sociologist have been on-site with the 'malu' walkers, who are the clan representatives, as defined by the local clans identified in the LIS. The 'malu', the clan's oral history, is used together with an assessment of genealogy, kinship, bloodlines, land use and customary criteria. The claim boundaries are walked together with government officials, the 'malu' walkers and other witnessing clans.

The study was a feature article in the local PNG media and has recently been presented at an Enga Province conference, and the annual PNG Mining & Petroleum conference. Morobe Mining (Newcrest/Harmony) representatives also reviewed the process on-site to gain new approaches for their PNG projects.

Leading PNG sociologist, Mr. Vincent Warakai, commented: "This process has the genuine people and groups being treated fairly, and they are participating fully in this important process."

Indochine's PNG Country Manager and Project Director, Mr. George Niumataiwalu, added: "Mt Kare has been considered a challenging project for PNG but we have successfully applied a Melanesian Approach to identifying customary landowners and how they should share equitably in Mt Kare. This approach may be a model for future resource development in PNG that recognises that the participation of both the government and community as partners is crucial in the development and sustainability of important projects."

Indochine's Chief Executive, Mr Stephen Promnitz, said: "The LIR is being completed to allow for the application for a mining lease by August, and for a framework to be developed that sets out the financial benefits for all parties once production commences at our targeted start-up of mid-to-late late 2015. Production is targeted at approximately 200,000 ounces gold per year at a 10 g/t gold grade, plus c. 820,000 oz per year silver production, with all-in costs in the lowest quartile of global production costs."

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Survey of Customary Land Boundaries at Mt Kare