

29 November 2019

## INDOCHINE MINING LIMITED

Subject to Deed of Company  
Arrangement

### About Indochine

Indochine is an exploration and development company that, pending renewal of the Exploration Licence, is seeking to advance the +2 Moz Mt Kare Au - Ag Project in Papua New Guinea (PNG) to a development decision.

### PROJECTS

**MT KARE Au-Ag Project**  
(Licence renewal pending)

### BOARD AND MANAGEMENT

Keith Murray – Non-Executive Director  
Tony Gates - Non-Executive Director  
Craig Dawson - Non-Executive Director  
Michael Sullivan – Non Executive  
Director (Summit)  
Ashok Jairath – CFO / Company Secretary

### CONTACT IDC

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Deed Administrator  
C/-KPMG Australia  
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[www.indochinemining.com](http://www.indochinemining.com)

## CORPORATE UPDATE

### Supreme Court Appeal Congratulations Enga Mioks

**Shared Values are the key to Progressing Mt Kare**

Indochine Mining Limited (Subject to Deed of Company Arrangement) ("Indochine" "Company") provides the following update:

#### Supreme Court Appeal

As announced on 21 February 2019, Summit Development Limited (**Summit**), a wholly owned subsidiary of Indochine, lodged an appeal (**Appeal**) on 10 July 2018 in the Supreme Court of Papua New Guinea (**PNG**) against the judgement of Her Honour Justice Nablu (deceased) upholding the then Minister for Mining's decision not to renew Summit's application lodged on 28 July 2014 for an extension of Exploration Licence EL 1093 (**EL 1093**).

As announced on 26 July 2019 the Appeal was heard on 26 February 2019 by a three judge bench of the Supreme Court, comprising Justices Batari, Dingake and Miviri.

The Court reserved its decision and to date we are yet to receive advice from the Court on when the decision will be handed down. The advice from Summit's lawyers is that delays in the Court handing down a decision are not unusual and that nothing should be inferred from it.

Until the Court's decision is handed down, the Minister for Mining, the Mineral Resources Authority and other defendants are precluded from taking any action Under the Orders for Stay granted by the Supreme Court on 16 July 2018.

No new licence in respect of Mt Kare will be granted to Summit or to any other party before then.

We will provide a further update once the Court's decision is clear.

### **Congratulations Enga Mioks**

Summit was pleased to announce sponsorship of the Enga Provincial Rugby League team, the Enga Mioks (**Enga Mioks**) during the 2019 season and congratulates the club and the players on the results achieved during the season. Subject to the renewal of EL1093 Summit looks forward to continuing its involvement with the Enga Mioks over the term of the Licence period and thereby assisting with the development of rugby in PNG.

Summit share's Enga Governor, Sir Peter Ipatas' view that rugby is a great national sport that should be promoted and supported.



Grand Chief Sir Peter Ipatas, Governor of Enga accepting sponsorship from Mr. Michael Sullivan in the presence of Mioks Rugby League Team

### **Shared Values are the key to progressing the Mt Kare Au-Ag Project**

Subject to obtaining a successful outcome from the judicial process, Indochine is committed to working with all stakeholders to develop a shared vision for Mt Kare.

This shared vision will focus on providing opportunities and outcomes for all stakeholders including Mt Kare land owners, local and national service providers, the Enga Provincial Government and the National Government of PNG on behalf of the people of Papua New Guinea.

Indochine and Summit have always worked collaboratively with all stakeholders and are looking forward to re-engaging with the PNG Government, the Mineral Resources Authority and other key government agencies to develop the Mt Kare Au-Ag Project.

## Background

Indochine acquired the Mt Kare Au-Ag Project in PNG for approx. A\$27M in cash and shares in 2011.

Since then Indochine has invested over A\$70M directly in exploration, evaluation, mine feasibility and landowner studies and A\$15M in indirect costs including maintaining security, helicopter support and provided the finance and administration functions to support activities at site, for a total investment exceeding A\$100M.

From acquisition to March 2015 Indochine actively worked with PNG authorities, landowners and various other stakeholders to explore and advance the Mt Kare Project. Indochine built a powerful share register with some of the gold sectors largest financial institutions supporting the company's exploration plans.

In August 2014 EL 1093 was due for renewal and, as per the PNG Mining Code; the company continued to work on Mt Kare until the renewal application was determined. Delays with the renewal of EL 1093 caused uncertainty amongst investors and negatively impacted the Board's ability to finalise funding to continue work at Mt Kare. As a consequence of these factors the then Board of Indochine placed the company into voluntary administration on 27 March 2015.

Ferrier Hodgson (now KPMG) was appointed as Voluntary Administrator of Indochine and following this a Deed of Company Arrangement (DOCA) was approved by Indochine creditors on 13 May 2015 and subsequently executed on 4 June 2015.

## Funding

Since March 2015 the company has kept the Mt Kare Au-Ag Project assets on a secured, care and maintenance basis and continued to advance geological studies, pending the outcome of the judicial process into licence renewal. Funding for this has been provided by a secured creditor.

Subject to a successful outcome from the judicial process, Indochine, with the assistance of its advisers, will evaluate various funding options available, which includes seeking to re-capitalise and re-list Indochine on the Australian Securities Exchange amongst others.

Summit acknowledges and greatly appreciates the continuing forbearance of its PNG creditors. Subject to a successful outcome from the judicial process and subsequent reinstatement of an exploration licence over the Mt Kare project and either the recapitalisation of Indochine or the securing of alternative funding, Summit will pay all its PNG creditors **in full**.

## Future Exploration Strategy

Drilling to date at Mt Kare has not exceeded 350m below natural surface. As previously announced future exploration at Mt Kare is more likely to focus on gaining underground access via an exploration Adit. The Adit will allow optimum placement of the drilling platforms, enable multiple rigs to work simultaneously and reduce the number of days lost due to the weather.

One of the primary objectives is to find the source of the Mt Kare mineralization, particularly the high grade Western Roscoelite Zone and the Black Zone which are believed to form from very deep underground.

Drilling from underground will lead to more accurate definition of the shape, direction and plunge of the mineralization and facilitate a larger exploration program to be completed in a shorter time frame than if drilled from the surface.

Once the resource is defined more accurately, Summit is committed to developing Mt Kare in an efficient and timely manner so as to deliver the best possible returns for all stakeholders.

### **Developing a Shared Vision, inclusive of and involving the Mt Kare Landowners**

On 27 November 2019 Indochine was both surprised and delighted to receive an open letter of support signed by 156 Mt Kare landowners expressing their support for Indochine and Summit to recommence operations at Mt Kare. A copy of the letter has been uploaded to the Company web site.

Indochine has always enjoyed a good relationship with the people of Mt Kare and, subject to a successful outcome from the Appeal, looks forward to re-engaging with landowners and developing our shared vision to benefit our many stakeholders but most importantly with the traditional owners of the Mt Kare Project area.

### **Change of Address**

The address of Indochine has now changed to the following:

#### ***Street Address***

Indochine Mining Limited (Subject to Deed of Company Arrangement)  
C/- KPMG Australia  
235 St George's Terrace  
Perth, WA 6000  
Australia

Phone: +61 8 9263 7171  
Fax: +61 8 9263 7129

#### ***Postal Address***

Indochine Mining Limited (Subject to Deed of Company Arrangement)  
C/- KPMG Australia  
GPO Box A29  
Perth, WA 6000  
Australia

For and on behalf of the Company.

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