

## Indochine: Market Update

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24 September 2014

Company Announcements Office,

Indochine Mining Limited (ASX & POMSoX: IDC) is pleased to provide the following market update:

### **Renewal of Exploration Licence 1093 for the Mt Kare Gold Project**

Exploration licence 1093 for the Mt Kare Gold Project was due for renewal on 28 August 2014 and an application for renewal of this tenement license has been lodged by Indochine's wholly owned subsidiary Summit Development Limited. Under the PNG Mining Act 1992 section 112, an exploration tenement license continues to be in force until the renewal application has been determined. To this end, attached is a letter from the Managing Director of the Mineral Resources Authority (MRA) of Papua New Guinea confirming the preservation of the Company's rights to conduct exploration beyond expiry of the term.

The Company is confident that its exploration license will be extended and we are working closely with the MRA in this regard.

### **Landowner Investigation Report (LIR)**

The Company is currently in the process of completing the final stage of the Landowner Investigation Report (LIR) involving the clan meetings and clan vetting that is required under the Lands Act 1996 and which validates and confirms the customary landowners of the Mt Kare surveyed boundaries.

Indochine notes that the completion of the LIR has been deferred for several months due to a thorough review being undertaken by the Enga Provincial Government (EPG) as the signing authority. We are pleased to advise that the EPG has completed its review which facilitates the Company's progression to the LIR.

Completion of the LIR will result in the nomination of clan agents to sign the LIR that will then be signed off by the EPG as required under statute. On site work is expected to commence before the end of September and be completed by mid October 2014, after which the LIR will be finalised for submission to the PNG Lands Department for registration.

Indochine's Chairman, Mr Dermott McVeigh, commented that *"this is a major landmark milestone for the project, given the landowner issues of the past. We look forward to working with the landowners to realise the potential of Mt Kare"*.

The fieldwork will involve government officials from government agencies such as Minerals Resource Authority (MRA) and the National Lands Department, landowner clan representatives and support staff. The registered LIR is the basis for determining how the identified clans will share in any payments to landowners for the use of their land. This has been a major hurdle for this project since the 1990s and its resolution sets the stage for a structured and harmonious working relationship between the project's stakeholders.

### **Legal Proceedings**

The Company's wholly owned subsidiary Summit Development Limited has been served with a summons in PNG by Kare Puga Development Corporation Limited (KDC) and its directors. KDC is a private company based in Port Moresby.

We understand that the PNG Minister for Mining, the PNG Mineral Resource Authority, the Enga Provincial Government and the State of Papua New Guinea are co-defendants in these proceedings.

The summons substantively seeks declarations that the Company's Exploration Licence terms have not been complied with and injunctive orders to restrain the Minister for Mining from renewing Exploration Licence 1093.

The Company's legal advice is that the summons is without merit and will be vigorously defended.

## **Cambodian Tenements**

Further to the market update of 11 August 2014, the Company has now been advised by the Minister of Mines and Energy in Cambodia that the 12 tenements (EL 749, 750-755, 757, 758, 760-762), in the Ratanakiri Province that were under application for third extension under ministerial discretion since 31 May 2014 have not been renewed.

The Company is investigating the reasons for this decision and will update the market should further details be received.

The previously announced Heads of Agreement with Capital Mining Limited (ASX:CMY) on 7 October 2013 in relation to the Cambodian tenements has also been terminated.

## **Future funding**

Further to the Company's announcement on 11 August 2014 in relation to its Strategic Focus and the corporate funding initiatives that will facilitate the strategic focus, the Company advises that it currently anticipates that the fund raising required to allow the planned 20,000 metre diamond drilling and sampling programme will be undertaken by the end of the current calendar year.

The Company continues to assess all funding options in relation to the Mt Kare project.

The Company is confident that this funding initiative will be successful within the revised timetable.

Dermott McVeigh

Chairman

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August 27, 2014

George Niumataiwalu  
Country Manager  
Summit Development Ltd  
Mt Kare project  
Enga Province

Dear Mr Niumataiwalu,

**SUBJECT: PRESERVATION OF SDL RIGHTS TO CONDUCT EXPLORATION  
BEYOND EXPIRY OF TERM**

The Mineral Resources Authority (MRA) acknowledges that EL-1093 expires on August 28, 2014 and that Summit Development Ltd (SDL) has submitted its application for renewal. The MRA will commence its statutory process in respect of the renewal application going forward.

We wish to advise that under such circumstances, section 112 of the *Mining Act 1992*, reproduced below, provides that the tenement continues in force until the renewal application has been determined:

**112 DATE OF EXTENSION OF TERM**

*(1) Where, prior to the expiry of a tenement, the holder has applied for an extension of the term of the tenement under this Division, the tenement shall continue in force over that portion of the land covered by the application until the determination of the application.*

*(2) The further period for which the term of a tenement is extended shall be deemed to have commenced on the day following the date on which the tenement would, but for the provisions of Subsection (1), have expired.*

We trust that this suffices for your purposes.

Yours sincerely,

A handwritten signature in black ink, appearing to read "Philip Samar".

**PHILIP SAMAR**  
Managing Director