

Quarterly Activities Report - For Quarter Ended 30 June 2015

Company Announcements Office
2 September 2015



Background

- The Company's securities were suspended from official quotation under ASX listing rules on 17 March 2015 due to the Company not lodging its half year accounts for the period ending 31 December 2014.
- Following the withdrawal of an offer from a strategic funding partner in March 2015, the directors took the decision to appoint administrators to the Company on 27 March 2015. The appointment of administrators did not enforce any action against Summit Development Limited (SDL), its wholly owned subsidiary and owner of the Mt Kare tenement.
- At the second meeting of creditors held on 13 May 2015, creditors approved the Deed of Company Arrangement (DOCA) proposed by Kandahar Holdings Pty Ltd. The DOCA was subsequently executed on 4 June 2015 by the Administrators.
- The Company's secured creditor continues to provide funding to maintain the Company's infrastructure at Mt Kare in good standing and to meet the costs associated with various hearings at Mt Kare and other legal and regulatory requirements in PNG and Australia.

The following photos show the camp buildings at Mt Kare, which remain secure and fit for purpose:



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 & Coy Sec

Major Shareholders

Brian Rodan	10.2%
Ruffer LLP	5.9%
Capital Group	5.4%
Genesis Asset Mgmt	4.8%
Baker Steel Capital Mgrs	3.27%

Corporate

Market Cap (16/3/15) ~\$8.2M

Shares Issued 1,363M

Corporate Address

Unit 3, 448 Roberts Road
Subiaco WA 6008 Australia

info@indochinemining.com

www.indochinemining.com

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The Company is currently awaiting final decision from the Minister for Mining for the renewal of exploration licence EL1093.

Legal Proceedings in Australia

- On 17 June 2015, Mr Stephen Promnitz (former Chief Executive Officer of the Company) filed an application to the Federal Court of Australia (the Court) seeking orders that (a) the DOCA executed on 4 June 2015 be set aside and (b) the second creditors meeting held on 13 May 2015 be adjourned and reconvened on a date to be set by the Court.
- The Application was heard by the Court on 23 July 2015 and the judgement, delivered on 17 August 2015, was that the proceedings were wholly dismissed and costs were awarded against Mr Promnitz.

Legal Proceedings in PNG

As advised in the December 2014 Quarterly Activities Report, SDL was served with a summons in PNG by a number of plaintiffs seeking:

- An injunction restraining the MRA from conducting the Wardens Hearing at Mt Kare; and
- Relief from the changes to the weighting of rights of various landowner clans or sub clans in some areas covered by the Landowner Investigation Study (LIS).

In February 2015 the Company announced that the PNG National Court of Justice had:

1. Discharged the injunction, enabling the Company to proceed with the Warden's Hearing which was pivotal to the renewal of the Company's Exploration Licence.

The Company is pleased to announce that the Warden's Hearing was successfully completed at Mt Kare on 6 May 2015. The following photo is the Mining Warden, Mr Vele Gavv, addressing attendees of the Hearing at Mt Kare on 6 May 2015.

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2. Ordered the Company to undergo a mediation process at Mt Kare involving all parties to the injunction, with the process to be mediated by a PNG National Court of Justice accredited mediator. The mediation was successfully conducted at Mt Kare between 18 July and 20 July 2015 in the presence of:
 - Justice Kandakasi of the PNG National Court of Justice, Deputy Magistrate Mark Pupaka and the appointed mediator, Mr Craig Jones.
 - Plaintiffs and their lawyers
 - Defendants and their lawyers
 - All Landowner clans identified in the Landowner Investigation Report (LIR).

Following the mediation at site, the parties then re-convened at Mt Kare on 17 August 2015 to complete the vetting of all clan members identified in the LIR. The Company is pleased to announce that the mediation was successfully completed with all clans signing the Agreement in the presence of the Mediators, which now enables the Company to complete the registration of the LIR with the Lands Department under the Lands Act.

Finance

- The secured creditor has extended a new loan facility of \$ 1.2 million to the Voluntary Administrator to fund the costs associated with maintaining the Mt Kare Gold Project EL 1093 in good standing. This includes funding of the Wardens Hearing completed on 6 May 2015 and the funding of mediation which was conducted on site from 18 July 2015 to 20 July 2015 and then re-convened on 17 August. These key milestones were completed successfully.
- The previous secured loan facility of \$3.75 million to 30 April 2015 provided to the Company prior to voluntary administration remains unpaid and the secured creditor's rights preserved under the DOCA.
- Cash term deposits and security deposits for a number of facilities with ANZ totalling \$ 257,000 were cashed in by the voluntary administrator to fund the cost of administration.

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- The Company has recently written to all Creditors of Summit Development Limited (SDL) wherein it advised that, inter alia, "it remains IDC's intention that SDL Creditors receive repayment in full for their outstanding debts. The payment of SDL Creditors remains subject to confirmation that EL 1093 has been renewed which will allow certainty for funding of the project to be completed".

Current Work on Site

- Current work on site is suspended pending renewal of EL 1093 by the PNG Minerals Resource Authority. The project site has been kept in care and maintenance.

Exploration Activities

- The Company is awaiting a final outcome on its application to renew Exploration Licence (EL) 1093, which incorporates the Mt Kare Gold Project.
- Under PNG Mining Act 1992, section 112, the current exploration licence that reached its expiry date on 28 August 2014 continues to be in full force until the renewal application has been determined.

Corporate

- Pursuant to the terms of the DOCA, the Company can be released from external administration following completion of all Conditions Precedent which, inter alia, includes the renewal of EL1093 and shareholder approval of the restructure.
- Simultaneous with the DOCA being wholly effectuated, a creditors' trust will be established to facilitate distributions (if any) to creditors in accordance with the deed.
- The Company continues to develop its strategy in relation to the funding of Mt Kare, which includes engaging with parties interested in participating in the next stage of exploration and project feasibility.

Cash and Shares on Issue

- The cash position was \$261,000 at 30 June 2015 (refer to Appendix 5B). The issued capital is 1,363,855,013 fully paid ordinary shares as at 30 June 2015.

Martin Jones

Deed Administrator

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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 June 2015

Consolidated statement of cash flows

	Current quarter \$A'000	Year to date (12 months) \$A'000
Cash flows related to operating activities		
1.1 Receipts from product sales and related debtors	-	-
1.2 Payments for (a) exploration & evaluation	(385)	(4,216)
(b) development	-	-
(c) production	-	-
(d) administration	(132)	(1,365)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	-	7
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	(517)	(5,574)
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)	(517)	(5,574)

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(517)	(5,574)
Cash flows related to financing activities			
1.14	Proceeds from issues of shares, options, etc.	-	4,041
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings*	514	2,354
1.17	Repayment of borrowings**	-	(1,220)
1.18	Dividends paid	-	-
1.19	Other (security deposits cashed in)***	257	142
Net financing cash flows		771	5,317
Net increase (decrease) in cash held		254	(257)
1.20	Cash at beginning of quarter/year to date	8	497
1.21	Exchange rate adjustments to item 1.20	(1)	21
1.22	Cash at end of quarter	261	261

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	-
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 \$514,000 during the quarter from the \$1,200,000 facility provided to the Voluntary Administrator. The drawdown from the frozen facility prior to DOCA for 12 months is \$1,823,858.
** Includes repayment of secured loan of \$1,159,240 on year to date basis(twelve months)
***Includes \$ 257,000 of term deposits and security deposits cashed in during the quarter

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

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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

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+ 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 Secured Loan facility – pre DOCA*	3,555	3,555
3.2 Secured Loan facility – Voluntary Administrator**	1,200	527
3.2 Credit standby arrangements		

*On 30 January 2015, the secured loan facility available was increased to \$ 3,750,000 in aggregate and repayment term extended to 30 April 2015. This facility is now frozen and the amounts available and used are inclusive of accrued interest and facility restructuring fees to 30.6.2015.

**A new secured loan facility of \$ 1,200,000 was provided to the Voluntary Administrator on 30 April 2015. Of this, \$527,000 has been utilised inclusive of accrued interest.

Estimated cash outflows for next quarter*

	\$A'000
4.1 Exploration and evaluation	550
4.2 Development	
4.3 Production	
4.4 Administration	120
Total	670

*The Company was placed in Voluntary Administration on 27 March 2015 (see ASX announcement).

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	261	8
5.2 Deposits at call		
5.3 Bank overdraft	-	-
5.4 Other	-	-
Total: cash at end of quarter (item 1.22)	261	8

+ 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	NIL		
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 <i>(description)</i>			
7.2	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions			
7.3	*Ordinary securities	1,363,855,013	1,363,855,013	n/a
7.4	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs			
7.5	*Convertible debt securities <i>(description)</i>			

+ See chapter 19 for defined terms.

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
		4,000,000		\$0.20	30/12/15
		42,136,826		\$0.085	03/09/16
		55,335,000		\$0.070	28/11/16
7.9	Issued during quarter				
7.9	Exercised during quarter				
7.10	Expired during quarter				
7.11	Performance options (<i>description</i>)	14,050,000		nil	16/01/18
		16,500,000		nil	31/03/19
7.12	Issued during quarter				
7.13	Exercised during quarter				
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.

Sign here: *Ashok Jairath*
(Company Secretary)

Date: 2 September 2015

Print name: Ashok Jairath

+ See chapter 19 for defined terms.

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.

Disclosure Required Under Listing Rule 5.3.3 for the Quarter Ended 30 June 2015

2 September 2015

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

Please note that under the PNG Mining Act 1992 section 112, an exploration tenement license continues to be in force until the renewal application has been determined.

- 2) Mining tenements acquired or disposed during the quarter and their location: None
- 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