

indochine

Mining Limited

ASX:IDC

IDC AU

AWAKENING THE SLEEPING GIANT



Positive Pre-Feasibility Study Mt Kare Gold/Silver Project, PNG

23 October 2012

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The Pre-Feasibility Study (PFS) results are indicative only. They are based on assumptions considered reasonable by Indochine and its external consultants, which may not all be ultimately achieved. Technical and economic estimates in the PFS are prepared to varying confidence of accuracies with an expectation of overall accuracy of $\pm 30\%$. It should be noted that Indochine is not declaring an ore reserve estimate as part of the PFS, with this work being scheduled for the BFS. The PFS has scheduled production based on the December 2011 JORC Resource with expected mining parameters applied. The Company expects that the drilling undertaken, awaiting assay results, will aid in the future conversion of a reasonable proportion of the Resource material to Indicated status such that this can then be considered for conversion to an ore reserve as part of the BFS, which may not be ultimately achieved. In accordance with relevant regulations governing the disclosure of mineral projects, readers are cautioned that scheduled production based on resource material is considered speculative.

Competent Person Statement

Anthony W. Burgess, a qualified consultant for Indochine Mining Ltd, is a member of the Australasian Institute of Mining and Metallurgy and has sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activity undertaken, being reported herein as Exploration Results, to qualify as a Competent Person as defined in the 2004 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (The JORC Code, 2004 Edition). Anthony W. Burgess has consented to the public reporting of these statements and results and the form and context in which they appear.

AWAKENING THE SLEEPING GIANT

- **Positive Pre-Feasibility Study – PNG project**
- **Over 1 Million Oz Gold Production (8+ yrs)
100-160,000oz/yr gold; 0.7-1.1Moz/yr silver**
- **Solid Financial Return on Conservative basis**
- **Next Steps - BFS; Resource Increase**
 - **Drill High Grade Bonanza Zones**
- **Fast tracking to Commercial Production**

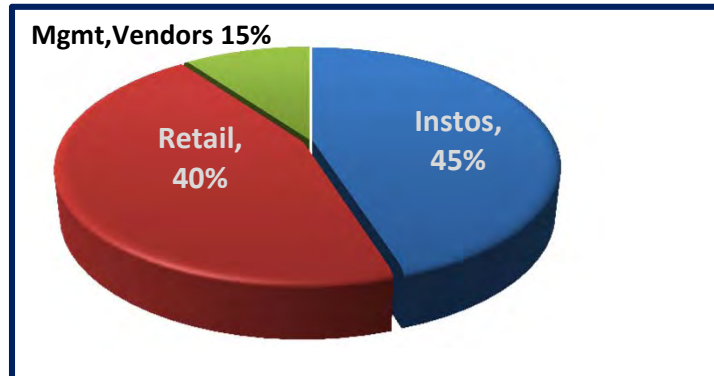
Company Profile

Stock

| | |
|---|----------|
| ASX Code | IDC |
| Market Cap | ~A\$90M |
| Share Price (90 Day VWAP) | ~A\$0.15 |
| Shares Issued (82M escrow to Dec'12) | 628.3M |
| Cash (3 Aug '12) | ~A\$11M |

Major Shareholders

| | |
|----------------------------|-------|
| Baker Steel Capital | 10.2% |
| Black Rock | 8.6% |
| Och-Ziff | 6.3% |
| Genesis | 6.4% |



Ian W Ross Non-Exec Chairman – ex Ivanhoe

Stephen Gemell Director – Mining engineer -Project development & mine operation skills

John Shaw Director – Geologist, Ex- Placer mgmt when Porgera became a mine in PNG; On IAMGold board

Gavan H Farley Director – Operations & Financial skills

Stephen Promnitz CEO – Exploration & Finance, Asia & Americas, Incl.PNG

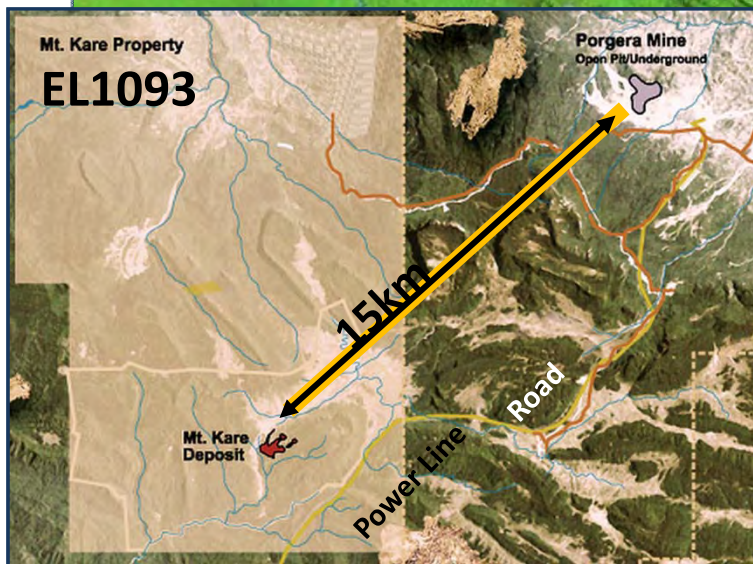
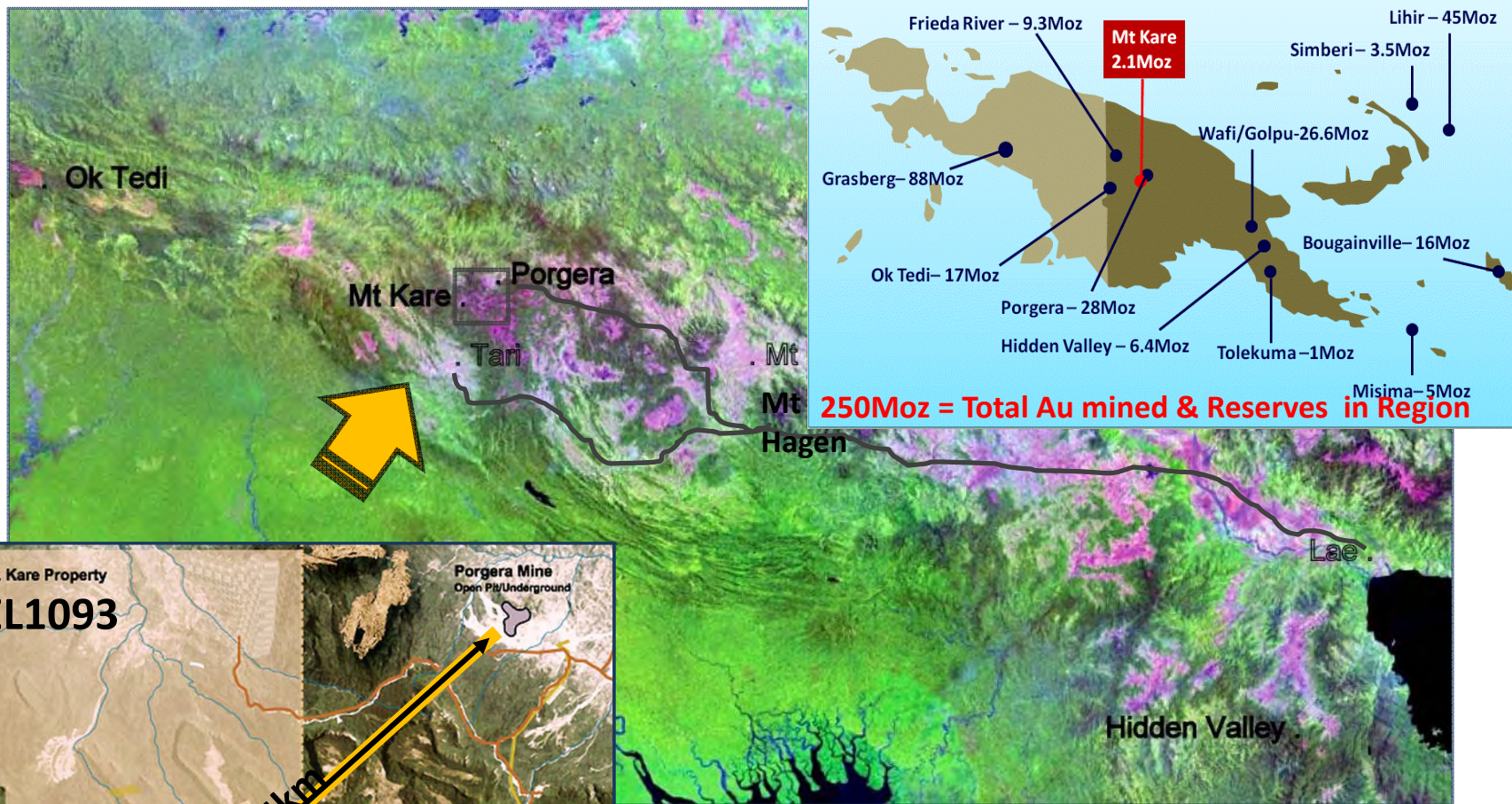
George Niumataiwalu PNG Manager – Mining engineer with MBA; Previously took major PNG project from resource to development

Ashok Jairath CFO , Company Sec – 30 years in Finance

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Mt Kare Gold/Silver Deposit



- **Mt Kare – 15km south west of Porgera**
Next to world class gold mine (0.5Moz Au/yr)
Access by Helicopter from Enga (near Porgera)
or from Hela Province (at Tari)

Mt Kare - Growing Resource



Dec 2011 JORC Resource

| | | | | | |
|----------------------------|---------------|------------------|-----------------|------------------|--------------------------|
| Total JORC Resource | 28.3Mt | 1.9g/t Au | 22g/t Ag | 1.8Moz Au | 2.13 Moz Au Equiv |
| High Grade Zone | 5.9Mt | 3.7g/t Au | 30g/t Ag | 0.7Moz Au | 0.8 Moz Au Equiv |

'Bonanza' High Grade Zones

- **3 'Bonanza' High Grade Zones Identified**

Confirmed by Ex-Porgera Chief Geo, Competent Person & 'Gold Finder'
'Identical signature' to bonanza zones at adjacent world class gold mine
e.g. Porgera Zone VII – 5Moz @27g/t Au

- **High Gold/Silver Grades Confirmed**

17m @ 100g/t Gold, 134g/t Silver;

78m @ 6g/t Gold, 19g/t Ag

38m @ 21g/t Gold, 30g/t Ag

Confirms past best results 20m @ 444g/t Gold, 160g/t Ag

- **58 Holes Recently Drilled**

- **Results to Come from 31 Holes**

7450m drilled since Nov'11 (58 Holes)

~67,000m drilled in total (423 Holes)

Assay results pending on 31 holes

- **Resource Upgrade to Follow Results**

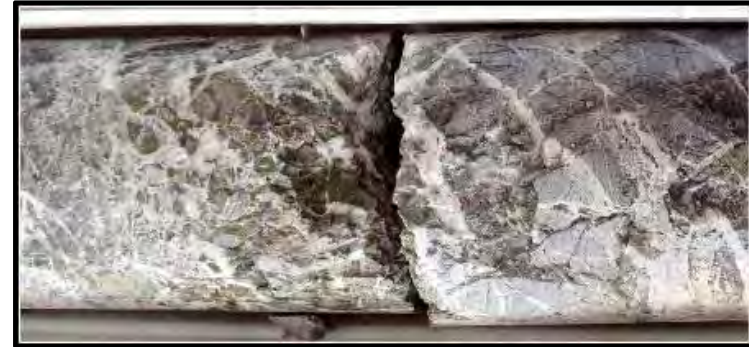
- **Focus – Drill High Grade/ Bonanza Zones**



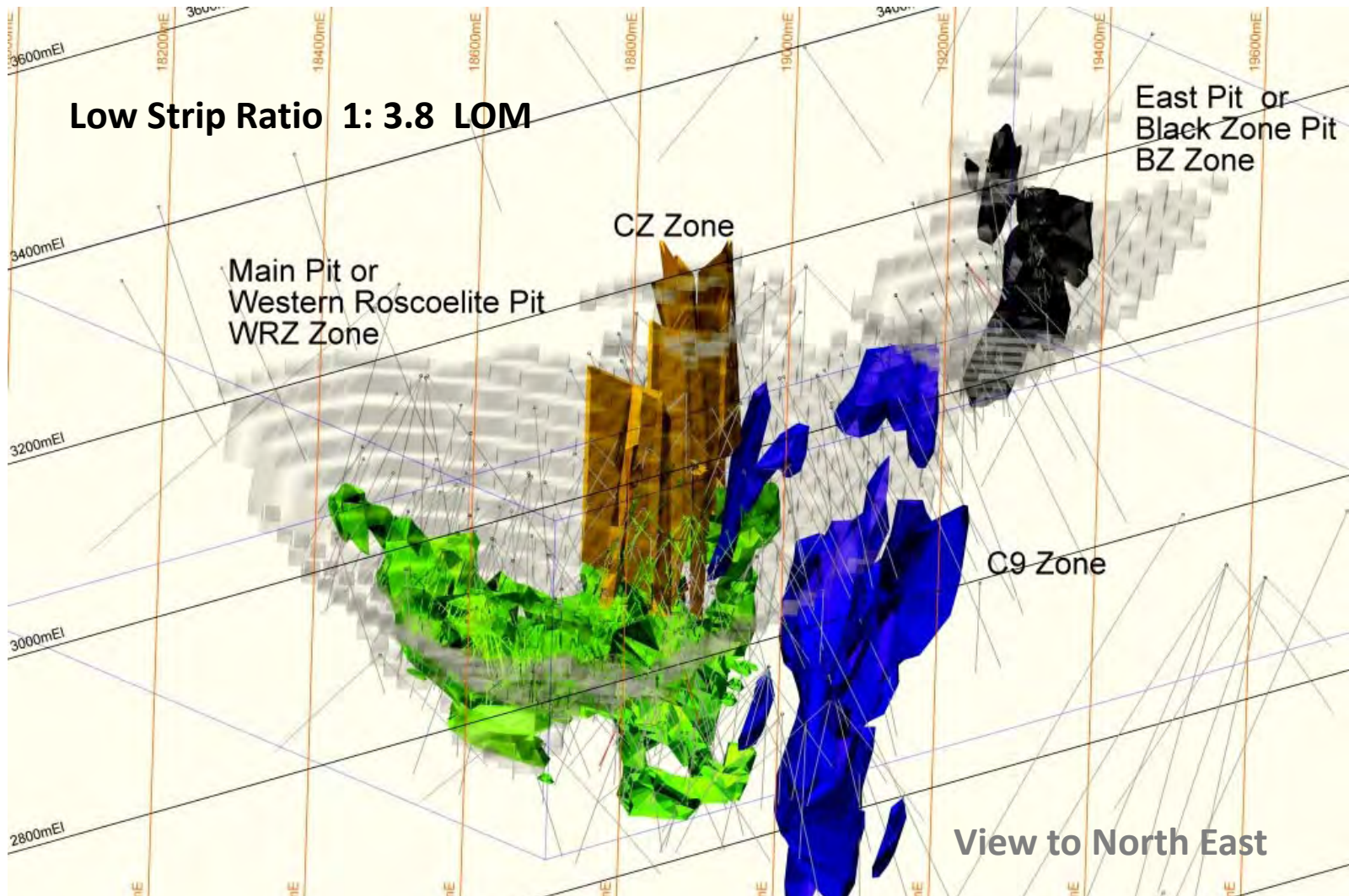
Assays – High Grade Gold

- Wide Intercepts of Gold from near surface

| Drill Hole | Metres Width | GOLD g/t | SILVER g/t | From (m) |
|-----------------|--------------|--------------|------------|----------|
| 146SD12 | 38m | 20.8 | 57 | 78 |
| 138SD12 | 32m | 4.1 | 6 | 35 |
| 133SD12 | 52m | 6.7 | 19 | 24 |
| 132SD12 | 78m | 6.0 | 19 | 6 |
| <i>Includes</i> | 54m | 8.2 | 18 | |
| 131SD12 | 99 | 3.2 | 19 | 23 |
| 127SD12 | 16.9 | 3.9 | 20 | 19 |
| 126SD12 | 21 | 5.5 | 625 | 99 |
| 125SD12 | 27 | 3.1 | 4.3 | 77 |
| 123SD11 | 46.2 | 5.4 | 187 | 46.2 |
| 122SD11 | 17.7 | 100.3 | 134 | 59 |



Low Strip Ratio Open Pits



| | | | | | |
|----------------------------|------|-----------|----------|-----------|------------|
| Mill Feed Tonnage Modelled | 15Mt | 2.5g/t Au | 26g/t Ag | 1.1Moz Au | 7.7 Moz Ag |
|----------------------------|------|-----------|----------|-----------|------------|

+1 Million Ounces Total Production

- 1 Million oz gold total production

- 8Moz silver total production

8.5 year mine life – initial plan

- 2 Open Pits Planned

Truck & Shovel; 7-10Mtpa

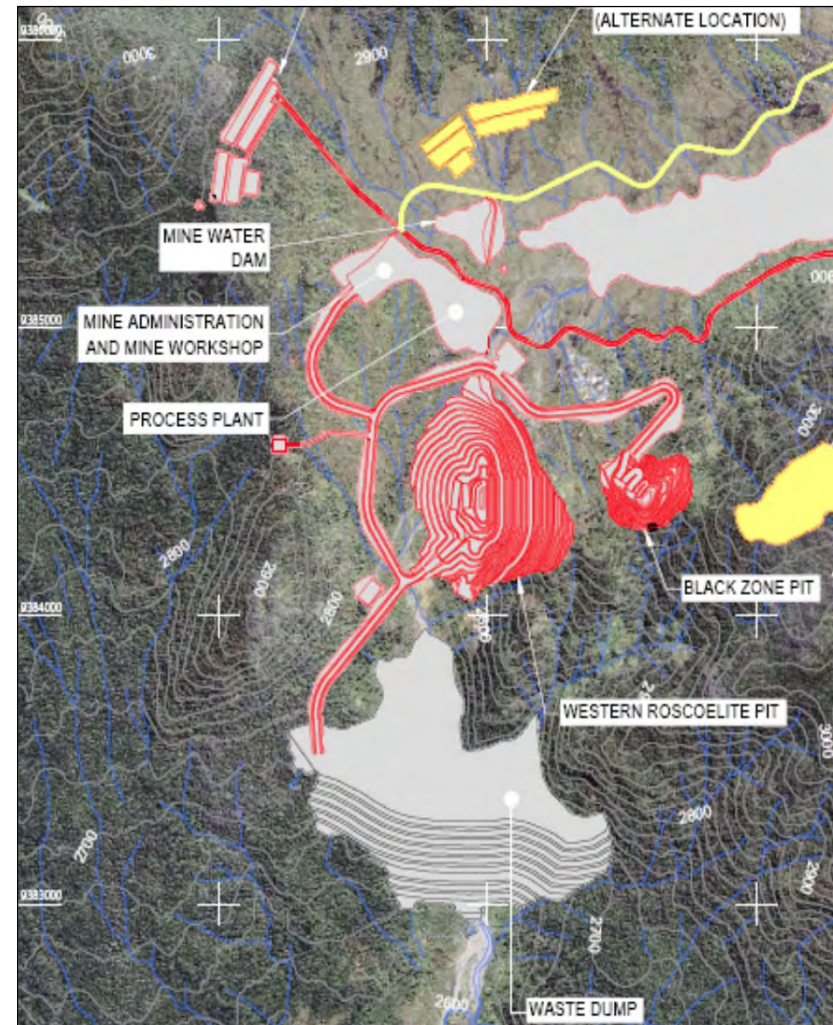
- Opportunity – Mine Optimisation

Improved Grade Optimisation
Significant particulate gold near surface
Improved Mine Scheduling

- Opportunity for Growth

- Bankable Feasibility Study starts

- Production Targeted Within 3 Years



100-160,000 oz/yr Gold Production

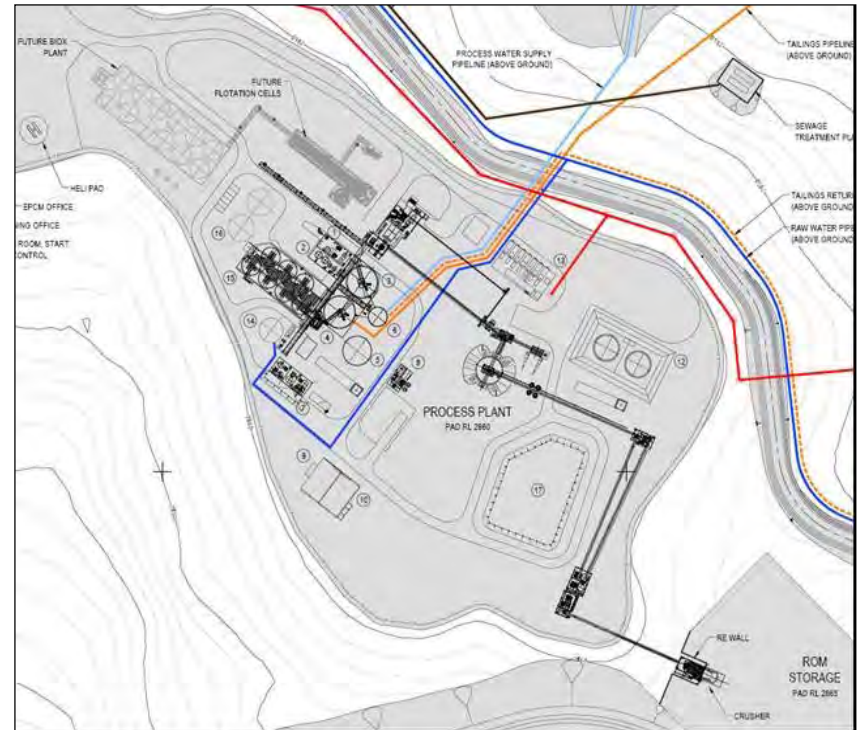
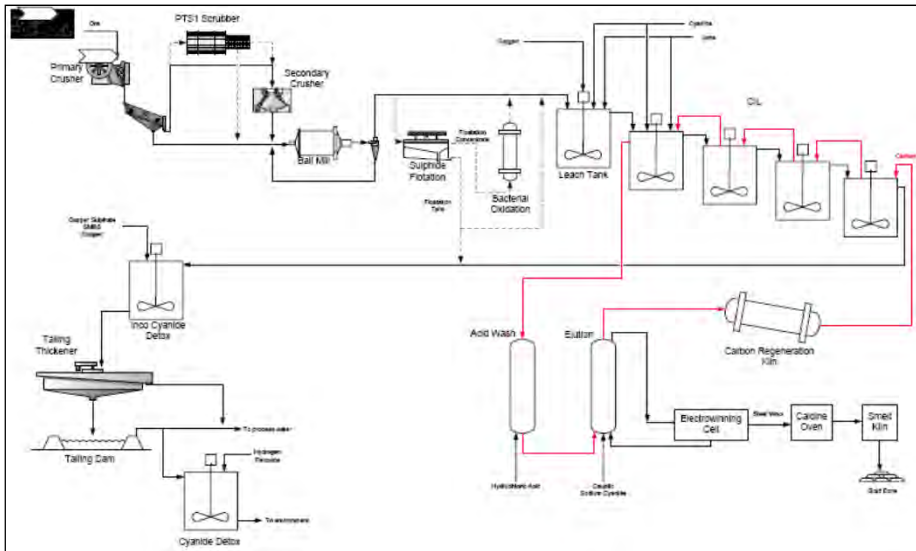
- **1.7 Mtpa Processing Plant**

Produces 100-160,000 oz/yr gold in PFS

Produces 700,000 – 1.1 Moz/yr silver

CIL Plant first 3- 4 years; 88% recovery

Flotation circuit for year 4-8; 83% recovery



Infrastructure Uncomplicated

- Access Road (11km) to connect with existing road network
- Optimisation Potential - gas/electricity & mini-hydro options



Capex – For Optimisation

- Opportunities exist for capex reduction/optimisation

| Capital Item | Initial Capital US\$M | Deferred Capital US\$M |
|--|------------------------|------------------------|
| Process Plant | 96 | 54 |
| Infrastructure (Roads, Bldgs, Water) (Accommodation) (Power plant, distrib) | 58 *32 12 *15 | 0 |
| Tailings Facility | 22 | 30 |
| EPCM + Support | 32* | 9 |
| Owners Costs | 10 | 0 |
| Establishment Capital Cost | 218 | |
| Mining Fleet | 44** | |

- Generates 28% IRR
- Opportunity to increase IRR significantly
- \$2Bn Revenue in PFS
- \$800M op costs in PFS

Based on a US\$1650/oz gold price, \$30/oz silver

*1 Opportunity for reduction

**2 Assuming owner operated fleet, not leased

In The Shadow Of A Major Mine



Porgera (Barrick) 28Moz Deposit Gold Mine

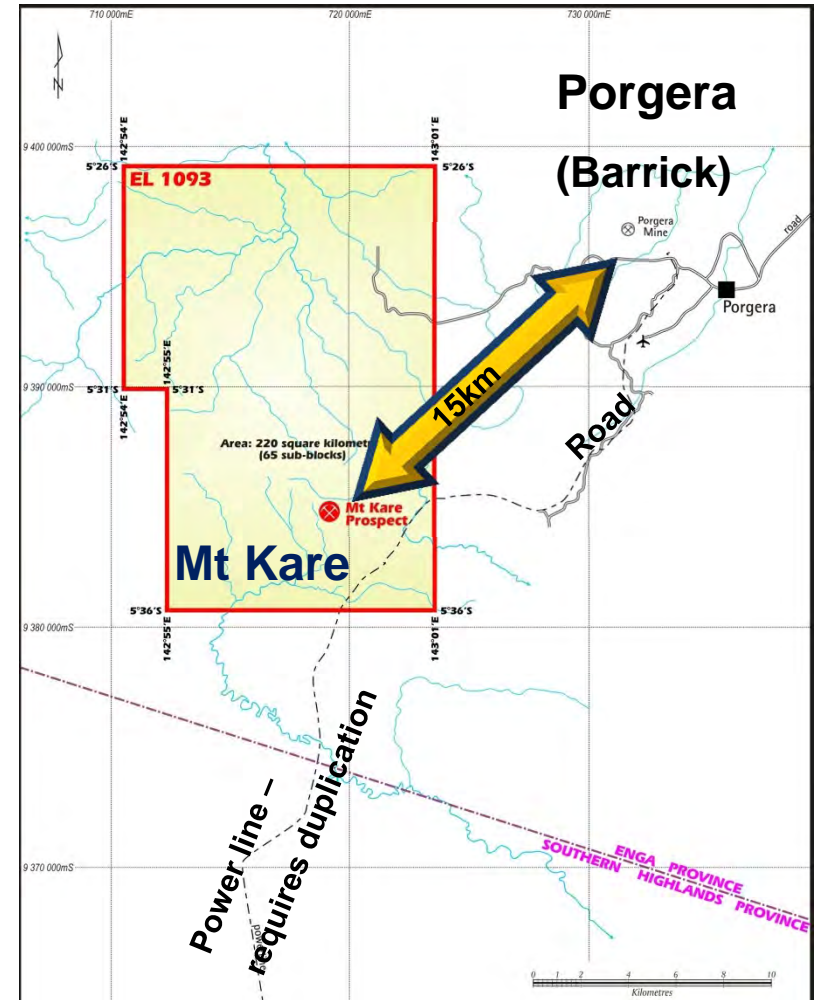
- One of the 10 Largest Gold Mines Globally
- 17Moz Produced (21 Years) at ~500,000 oz/yr

15km From Mt Kare

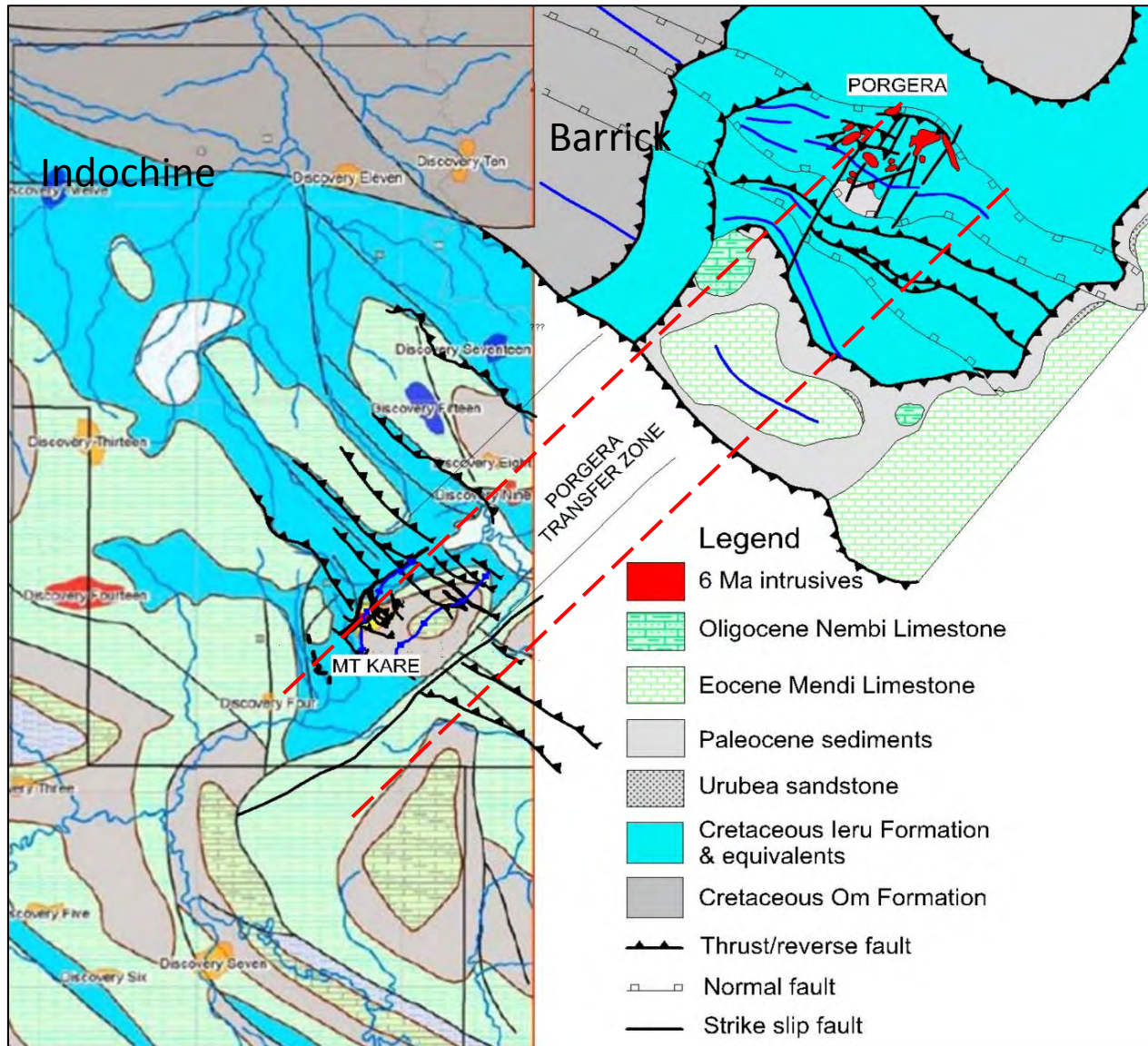
- Established Infrastructure in Area
- 7km of Road Required to Connect to Site

Potential For Major High Grade Discovery

- Porgera started on high grade Zone VII
- Zone VII Resource started at 5M oz @ 27g/t gold
- Potential to locate at Mt Kare as veining is similar



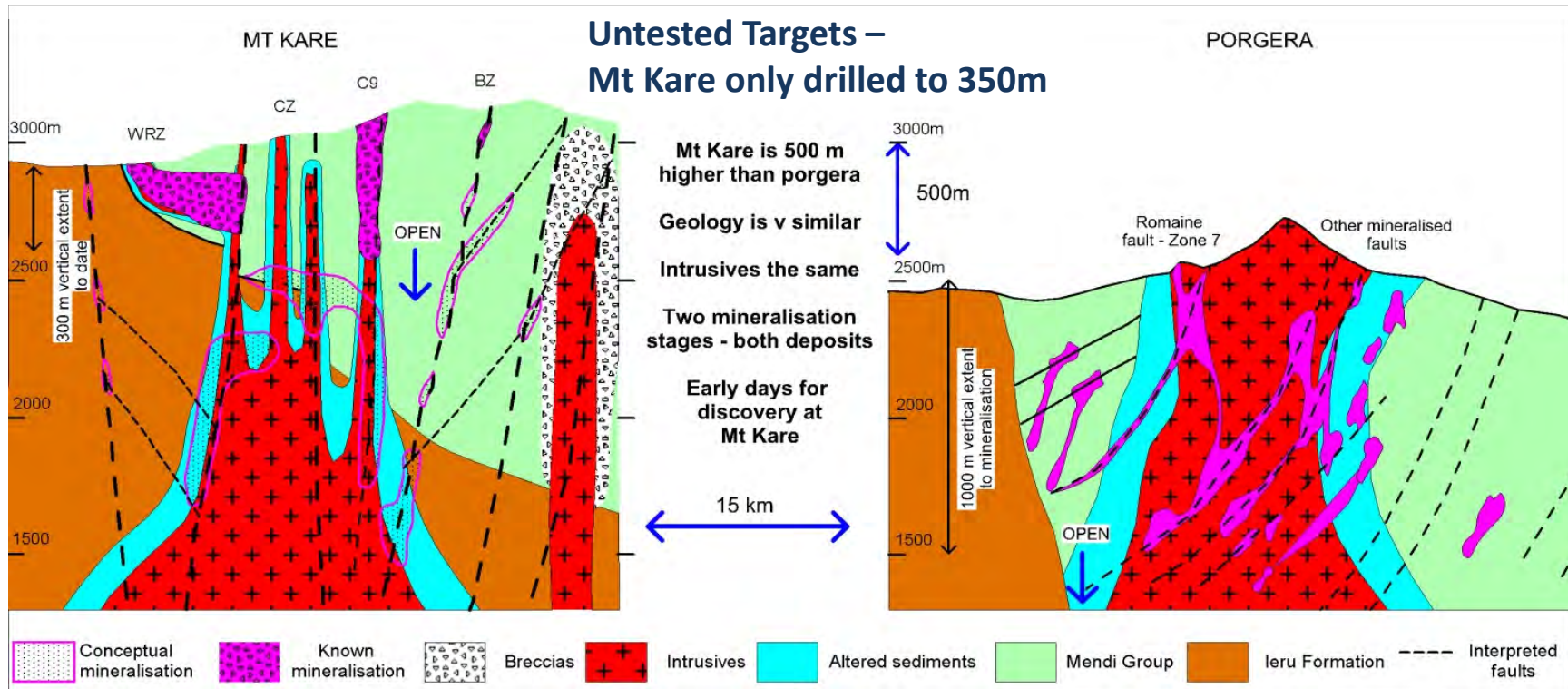
Mt Kare – Similar to Barrick's Porgera



Mt Kare & Porgera

- Both share same deep structural corridor – Porgera Transfer Zone
- Intrusives emplaced in dilation zones along Transfer Zone faults (6 Million years ago)
- Low sulphidation epithermal gold deposits
- Earlier Stage 1 gold-pyrite-minor base metal mineralisation associated with intrusives
- Later Stage 2 quartz-roscelite mineralisation with high gold grades

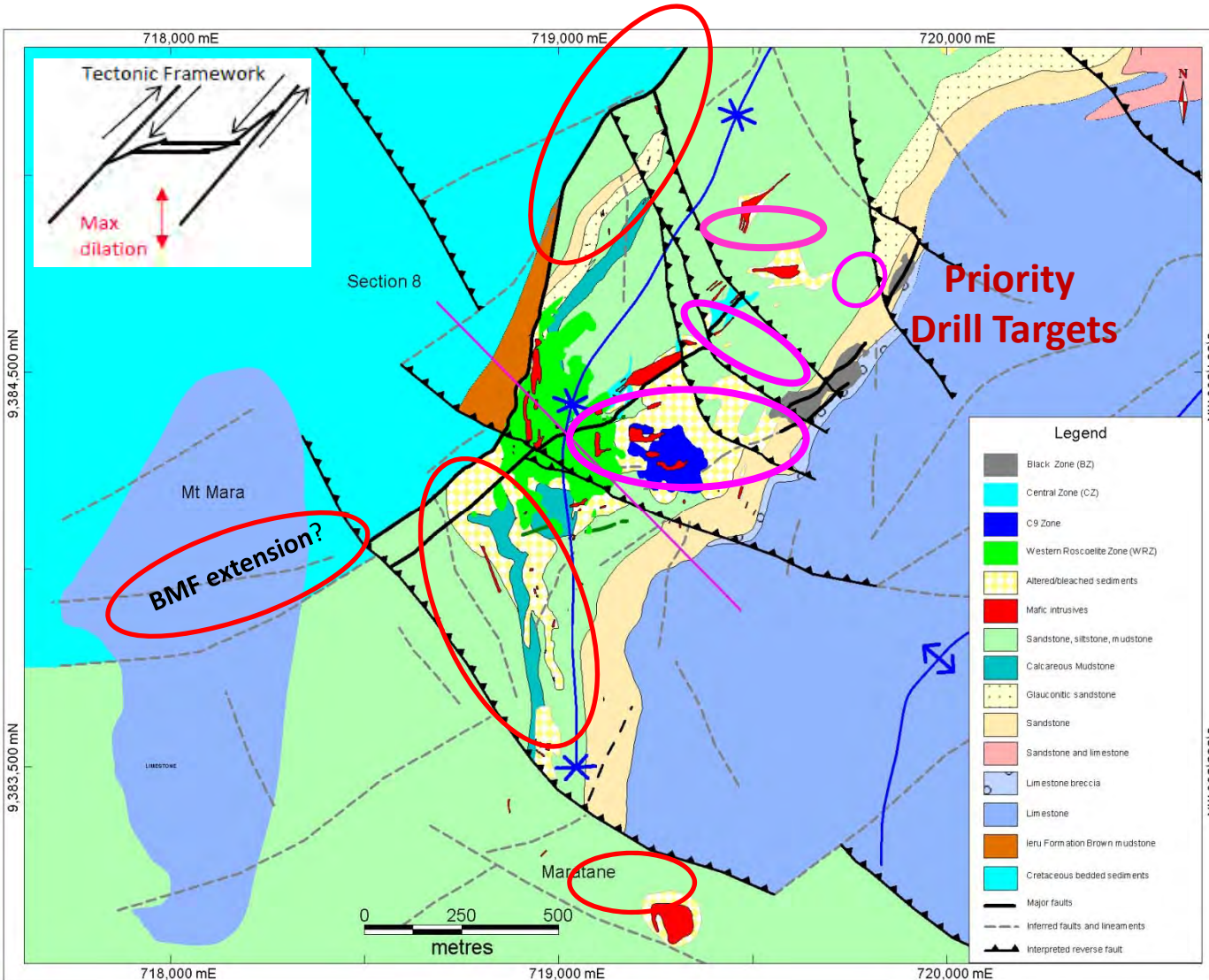
Mt Kare – Similar to Barrick’s Porgera



| Mt Kare | Porgera |
|---------------------------------|---------------------------------|
| 500m higher | RL 2500m |
| Similar Geology | Similar Geology |
| Same Intrusive Composition, Age | Same Intrusive Composition, Age |
| Two stage mineralisation | Two stage mineralisation |

Targets identified.
 Potential to discover high grade **quartz-roscoelite** mineralisation in all mineralized zones at Mt Kare

Mt Kare – High Grade Drill Targets



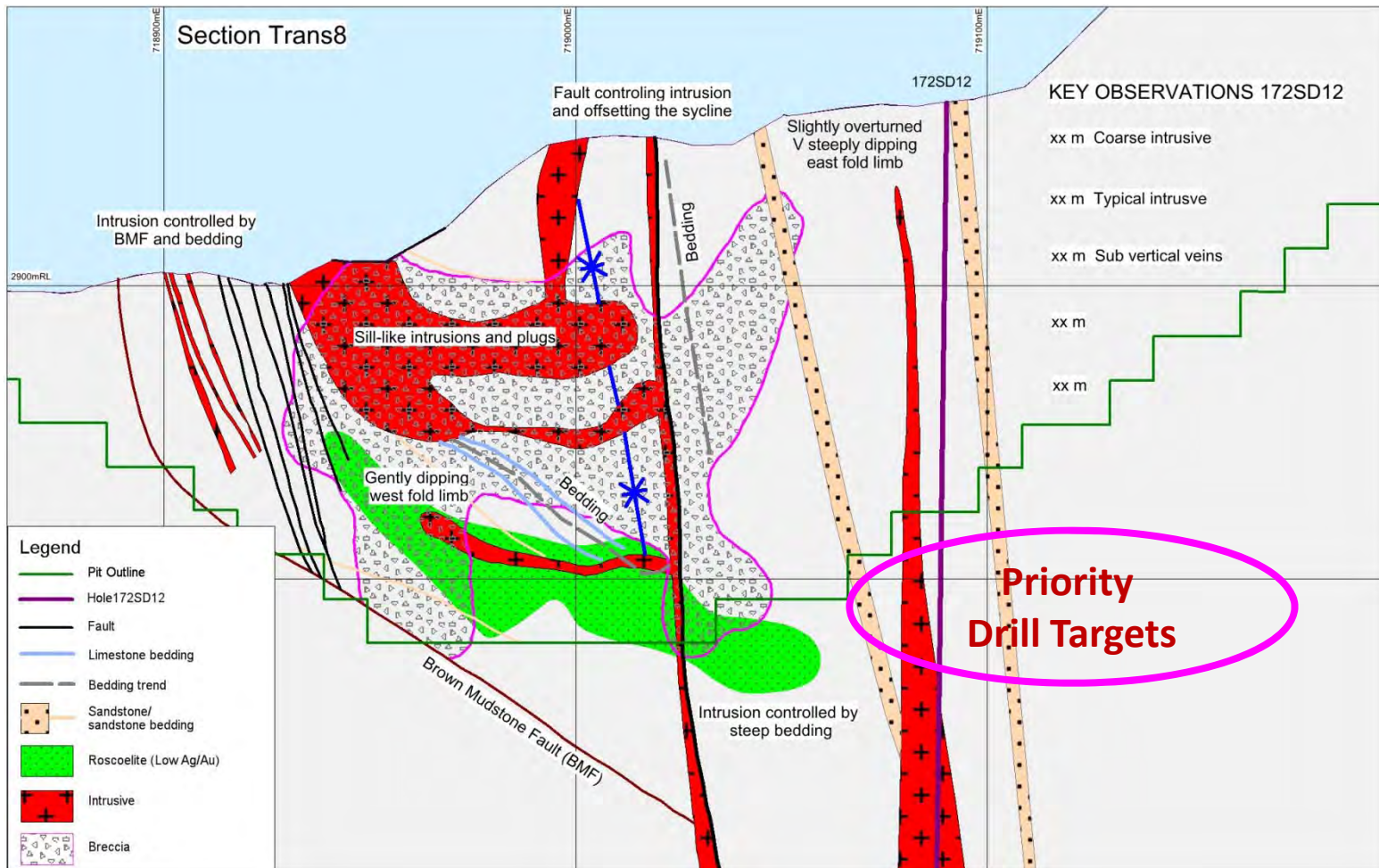
Drill targets:

- Priority around qtz-roscelite bonanza grade intercepts = **size definition & controls to demonstrate potential**
- Priority around favourable EW fault orientations in new drill direction (Pink targets)
- Extensions of known quartz-roscelite mineralisation for pathways and favourable structures
- Drill extensions to south and north of resource (Red targets)
- Future deep holes to test repeat structures and intrusive

Geology

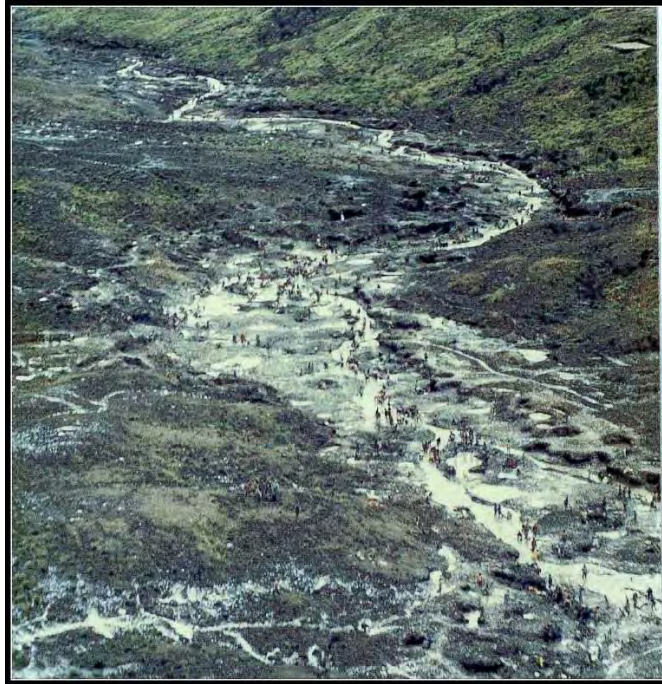
- Folded interbedded calcareous mudstones, siltstones, sandstones, capped by limestone
- Basic intrusives with alteration/mineralisation

Mt Kare – High Grade Drill Targets



- Qtz-Roscoelite mineralisation in sub horizontal or vertical orientations
- Target flexures & dilatant zones – Large quantities of gold can be found in small targets

Mt Kare Gold Rush 1988



**~1 Million ounces gold extracted in nuggets
in 1-2 years 1988-89**

Mt Kare History

| | |
|--------------------|---|
| 1987-88 | Discovery & Gold Rush Alluvial Miners Extracted >1moz Gold In Nuggets In 1 Year |
| 1988-92 | CRA Drilling (32 Holes); CRA Alluvial SML |
| 1992-96 1996-08 | Ownership Changes; Carpenters Pacific (Matu Mining) Canadian Juniors (Madison/Buffalo); 320 Holes Drilled |
| 2007 | C.2moz Gold/Silver Resource Defined |
| 2009-10 | Liquidation Of Madison PNG After Financial Crisis <ul style="list-style-type: none"> • \$60M In Past Expenditure |
| 2009-11 2011 | Winning Tender By Local Family Company; Transfer To Summit; Exploration License Extended; Summit Development Becomes Wholly Owned Subsidiary Of Indochine Mining; Project Re-started |

Our Approach

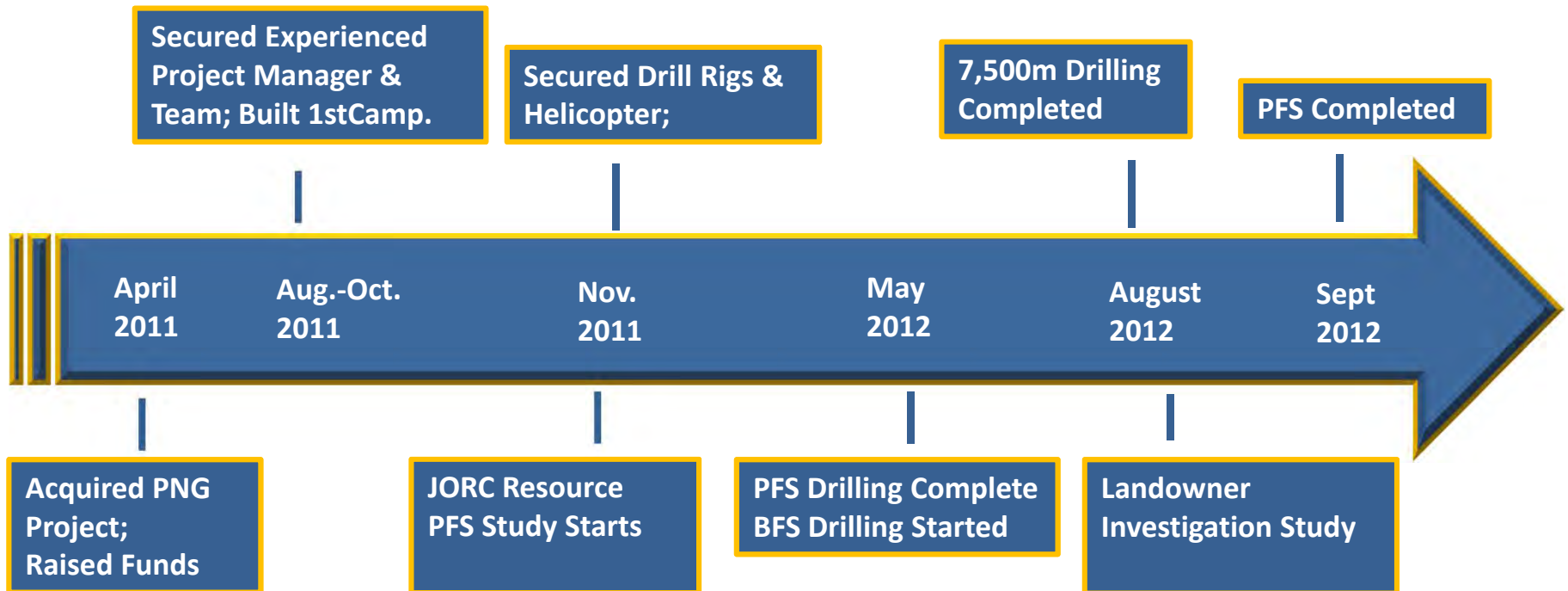
- Focus on Development
- Working With Locals
- Grow Asset Post PFS

Landowner Study Done

- All Want Development
- Seen Porgera & LNG In Development
- Landowner Investigation Study – near completion



Achievements



Pathway To Production

Future News Flow



**New Discovery &
Bonanza Zones**



**PFS Positive;
Potential to
Optimise**



**Drill Results;
Resource update ;
Drill Bonanza Zones**



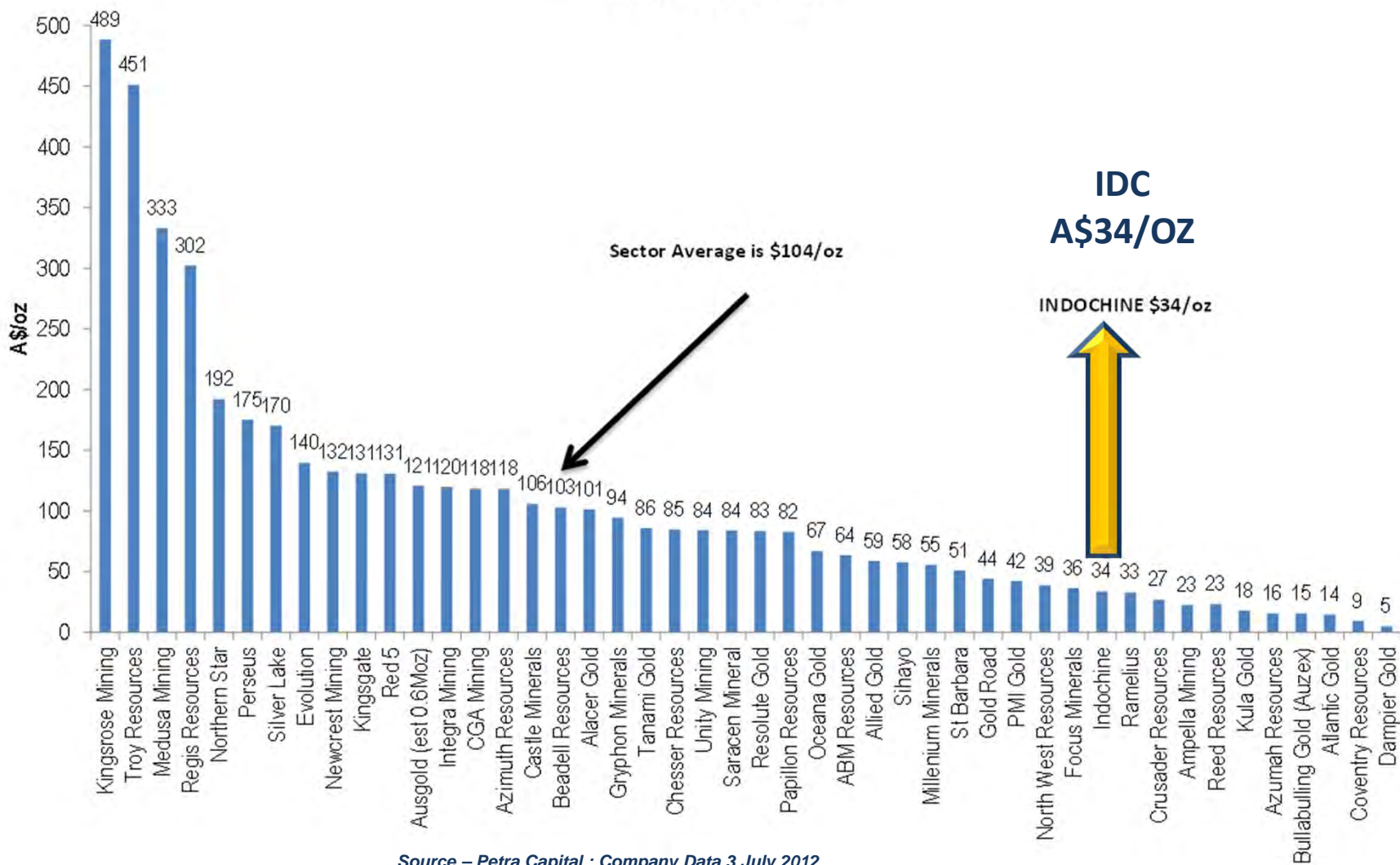
**Bankable
Feasibility Study
to late 2013;
Mining Lease
Applications**



**Production In 3 Years
100 - 160,000 oz/yr**

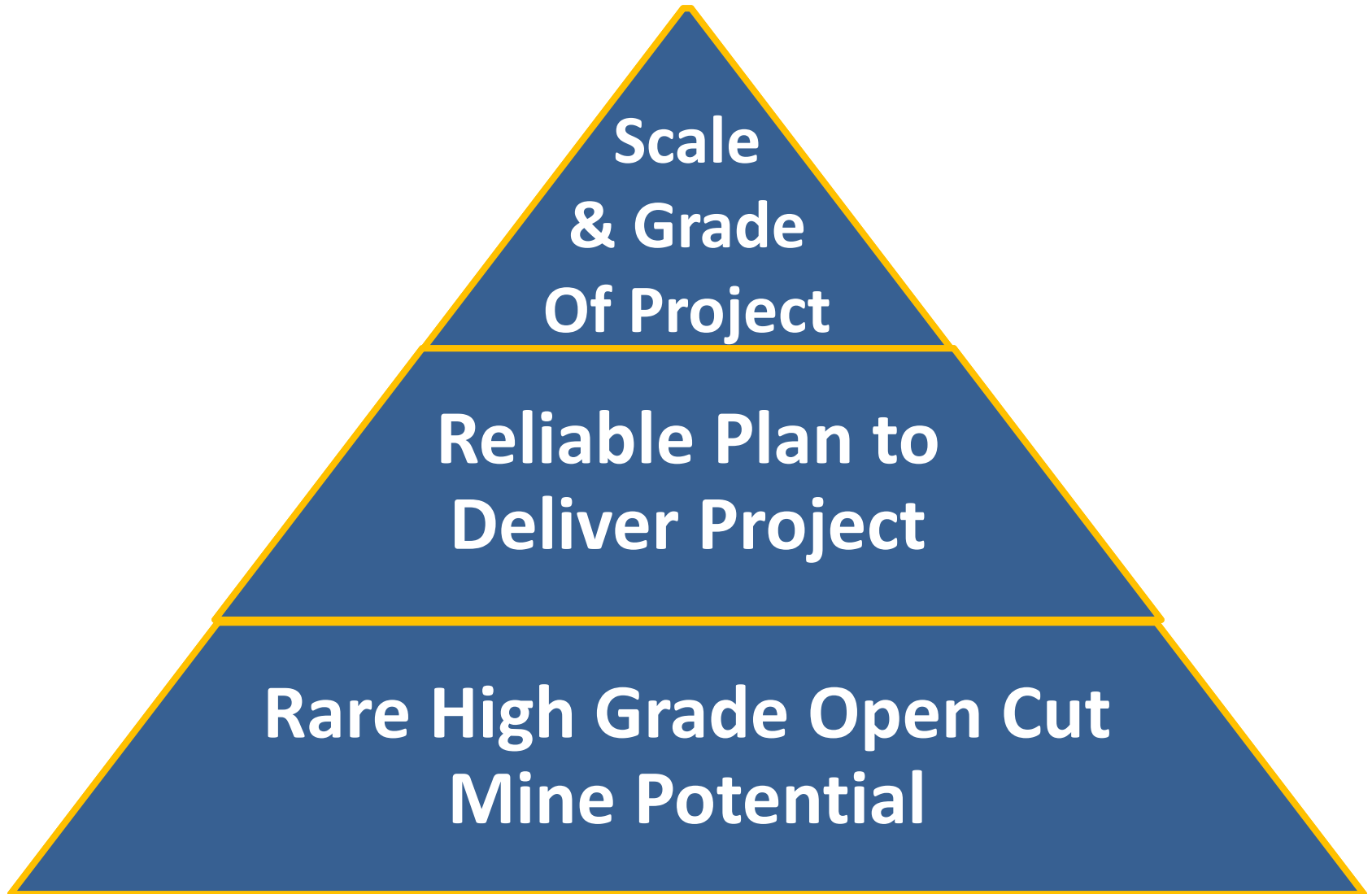
Peer Comparisons

EV/Resource oz

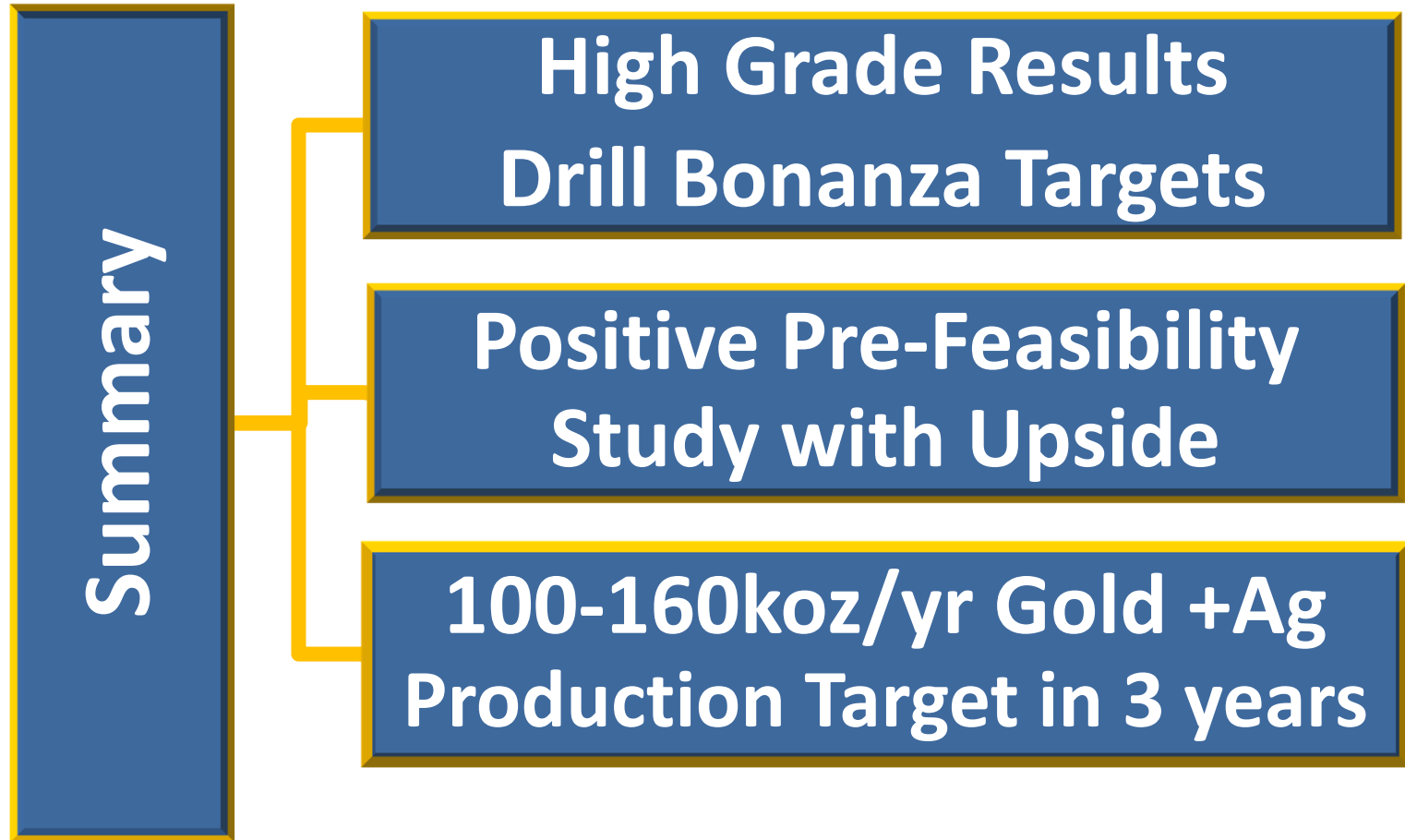


Source – Petra Capital ; Company Data 3 July 2012

Investment Case



Summary



Appendix

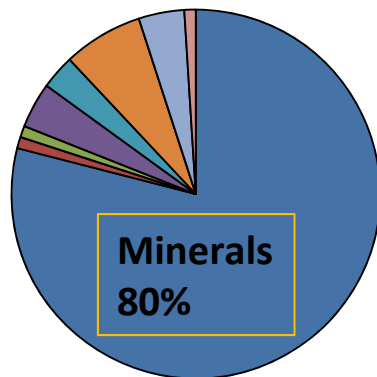
Major Investment Destination

PAPUA NEW GUINEA (PNG)

- Population 7 million; 5-8% GDP Growth (2007-2012)
- 80% Exports – minerals & petroleum (Gold 50%)
- Government Revenues from LNG to Exceed Minerals from 2014
- Open To Foreign Direct Investment
- History of Successful Resource Development
- Successful Elections Completed July/Aug 2012

PNG EXPORTS 2012F

| | |
|--------------|----|
| Marine Prods | 1% |
| Copra | 1% |
| Other Agri | 4% |
| Forest Prods | 3% |
| Palm Oil | 7% |
| Coffee | 4% |
| Cocoa | 1% |



Large Resource Development

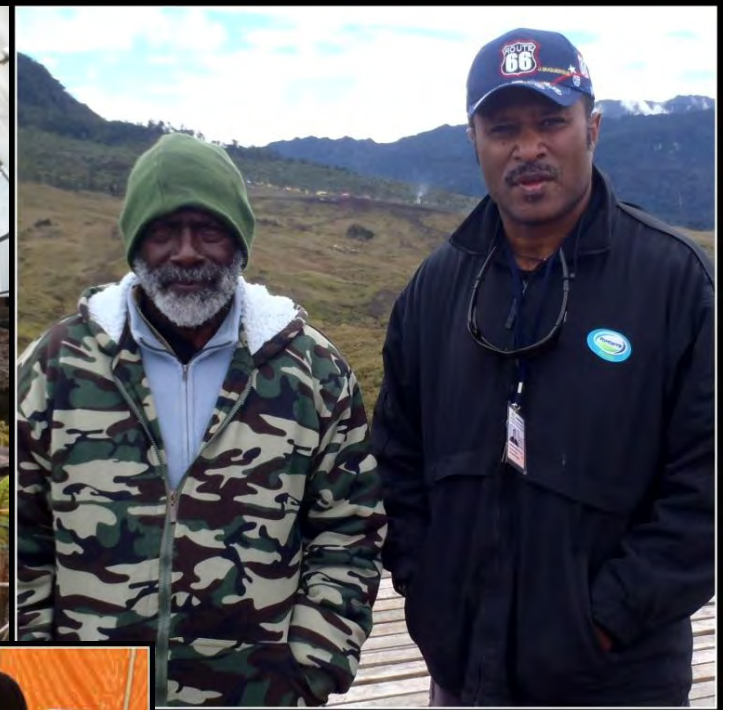
Oil & Gas

- LNG Project – “Game Changer”
 - \$16 Billion by 2014 – 1st Train
 - Exxon/Oil Search (30 yr offtake)

Minerals

- Wafi/Golpu
 - \$10 Billion Capex (Newcrest/Harmony)
- Ramu Nickel
 - \$1 Billion Capex

Proven Management Team



Progress in the Last 12 Months

LAST YEAR

- Limited Supplies
- Slow Camp Build
- No Drilling
- Limited Helicopter Support
- Poor Perception of Project



Progress in the Last 12 Months

THIS YEAR

- ✓ Technical & Support Team in Place
- ✓ PFS Team in Place & On Track
- ✓ Camp Built & Expanded
- ✓ 3 Rigs (QED)
- ✓ Helicopters (Heli-Niugini)
- Assays Still Delayed

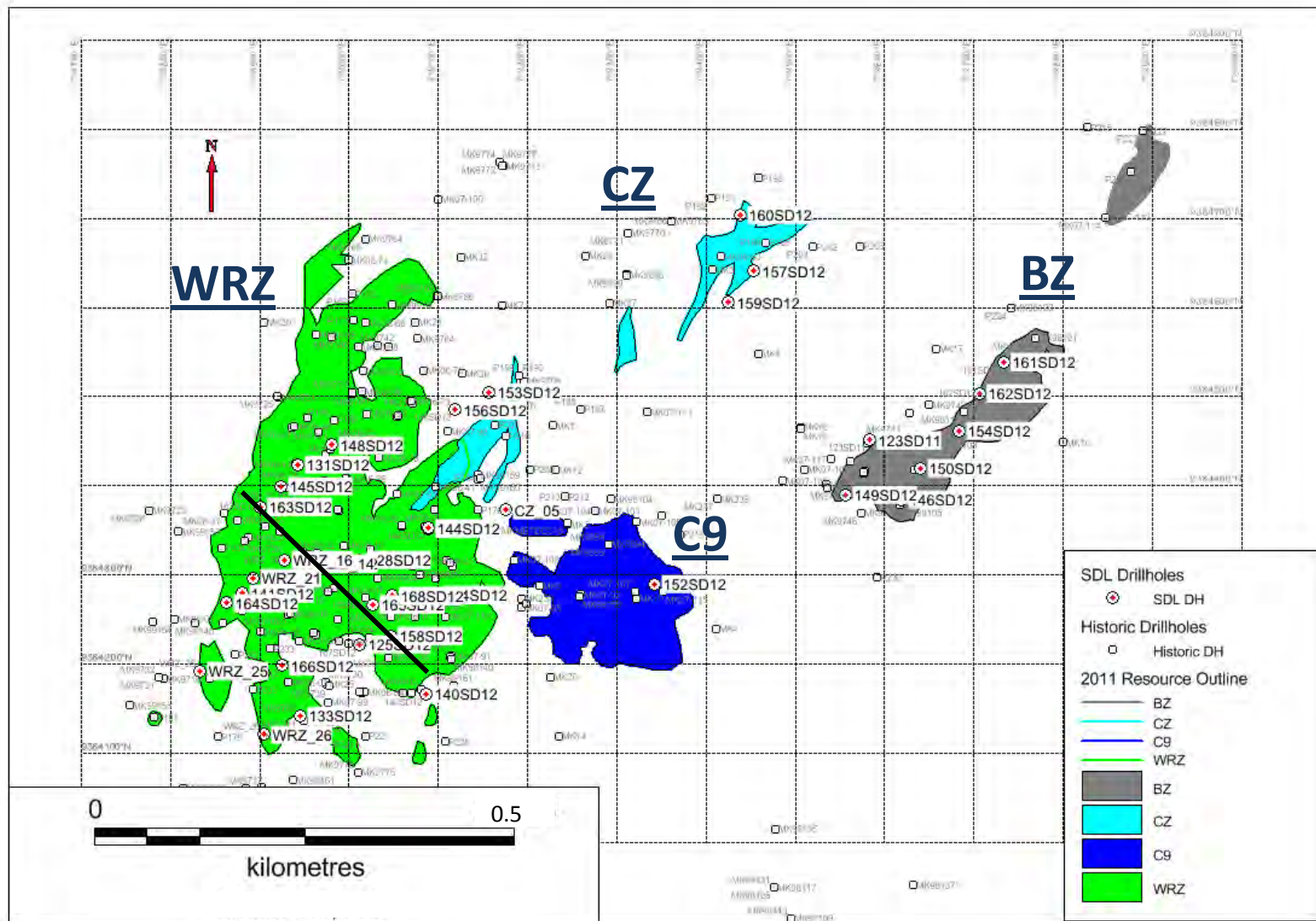


Landowner Investigation Study



1st ever Detailed
Field Interviews
Completed

Consistent Resource



Drilling – High Grade Confirmed



History Repeats – Past Results

Mt Kare has a JORC Resource of 1.76Moz gold, and 20.4 Moz silver, which includes some spectacular high grade zones in past drilling.

| | | | | Metres Down Hole |
|---------|-----------|----------------|------------------|------------------|
| MK9705 | 20.5mtrs | 443.9 g/t gold | 163 g/t silver | 37.5 mtrs |
| MK06-58 | 30.5mtrs | 19.2 g/t gold | 72.4 g/t silver | 78 mtrs |
| MK06-63 | 25 mtrs | 22.6 g/t gold | 69.7 g/t silver | 98.2 mtrs |
| MK9744 | 18 mtrs | 20.6 g/t gold | 65.3 g/t silver | 159 mtrs |
| P178 | 19 mtrs | 5.4 g/t gold | 337.2 g/t silver | 70.5 mtrs |
| MK9758 | 21.1 mtrs | 2.9 g/t gold | 252.3 g/t silver | 95.5 mtrs |

Historical drilling by the prior owners CRA, Madison & Buffalo Gold returned bonanza gold/silver grades in most of the identified JORC resource areas at the Mt Kare project.

Mt Kare Resource

Mt Kare Project - JORC Mineral Resource Statement (Dec 2011)

Cut-off: 0.5g/t gold

| Resource Classification | Million Tonnes | Gold g/t | Silver g/t | Gold Moz | Gold Equiv* |
|-------------------------|----------------|------------|-------------|---------------|---------------------------------|
| Indicated Resource | 5.9 | 3.7 | 30.0 | 0.7Moz | 0.8Moz |
| Inferred Resource | 22.4 | 1.5 | 20.5 | 1.1Moz | 1.33Moz |
| Total Resource | 28.3 | 1.9 | 22.5 | 1.8Moz | 2.13Moz @ 2.3g/t AuEq |

Notes

- 1) Cut-off grades: Nominal lower gold grade cuts are applied, and due to the nature of the deposit also approximate the geological mineralisation cut-off.
- 2) Material classified as Indicated Resources are within shells interpreted from the 2011 block model that define high grade Au mineralisation (+2g/t Au) which is close to surface. It is considered that material within these volumes have a high probability of being economically extracted, with the data risks considered.
- 3) Rounded estimates are used, which may cause apparent discrepancies in totals. Significant figures do not imply precision.
- 4) Gold equivalent grades (AuEq) are calculated based on a gold price of US\$1200/oz and a silver price of US\$22/oz, or 54.55 silver ounces per 1 gold ounce.

Competent Person Statement

David Meade, a qualified consultant for Indochine Mining Ltd, is a member of the Australian Institute of Geoscientists and has sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activity undertaken, being reported herein as Mineral Resources, to qualify as a Competent Person as defined in the 2004 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (The JORC Code, 2004 Edition). David Meade has previously consented to the public reporting of these statements and results and the form and context in which they appear.

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