



INDOCHINE MINING LIMITED

ASX: IDC

ACN 141 677 385

29 July 2011

Company Announcements Office
Australian Securities Exchange

8 Pages

Quarterly Activities Report

For Quarter ended 30 June 2011

Highlights

Project Development – Mt Kare, PNG

- Finalised acquisition of the c. 2 million ounce Mt Kare Gold/Silver project in Papua New Guinea subject to the return of documentation from the PNG regulators
- Acquisition approved by shareholders
- A \$16 million private placement to raise funds to undertake the Bankable Feasibility Study was oversubscribed
- Feasibility Study commenced and camp established at project site
- Planning commenced to mobilise drill rigs in July-August. Initial focus will be on metallurgical studies
- An experienced technical team is being assembled, familiar with feasibility studies in PNG

Exploration – Kratie North, Cambodia

- A drill program was completed over the Kratie North gold project, Cambodia
- Three targets were tested in a 16 hole (2216 metres) drill program
- Results were returned for one hole after the quarter with results awaited for 15 holes

Corporate

- Successful capital raising for PNG gold/silver project was approved by shareholders
- \$21 million cash-in-bank at 30 June 2011
- First Annual General Meeting as a public company held in July 2011

INDOCHINE MINING LIMITED

AUSTRALIA: Suite 1, Level 3, 275 George St, Sydney NSW 2000 T +61 2 8246 7007 Fax: +61 2 8246 7005

CAMBODIA: 1/528 Boeung Kak 1, Khan Toul Kork Phnom Penh 12151 Ph: +855 23 881 900 Fax: +855 23 881 300

www.indochinemining.com

info@indochinemining.com

ASX: IDC

Project Development – Mt Kare, PNG

Background

The circa 2 million ounce Mt Kare Gold/Silver Project is located within Exploration Licence 1093 in Papua New Guinea (PNG), 20 kilometres southwest of Barrick’s multi-million ounce Porgera gold mine. Previous owners had drilled 360 drillholes into the project, constituting prior expenditure of approximately A\$60 million.

A foreign, non-JORC code compliant resource statement (Canadian NI 43-101) was prepared by Snowden in August 2007 and is the most recent, relevant assessment of this significant deposit.

This resource statement provided an indicated and inferred resource of 1.7 million ounces of gold in 24.5 million tonnes of ore at 2.1 grams per tonne gold or 1.9 million ounces of gold equivalent, at a 1 gram/tonne gold equivalent (AuEq) cut-off grade. At a 3 gram/tonne AuEq cut-off grade, there is a high grade zone of 740,000ozs in 4.6 million tonnes of ore at 5 grams/tonne gold (Indicated Resource). Details were provided in the Company’s announcement of 4 March 2011. A waiver was provided from the ASX listing rule 5.6 to release this foreign resource statement consistent with the Company’s Update of 5 April 2011, and subsequent to year end on 11 July 2011.

The resource statement was calculated at US\$300/ounce gold price (20% of the current price) and US\$5.50/ounce silver price (15% of the current price) and used a 1 gram/tonne gold equivalent (AuEq) cut-off grade.

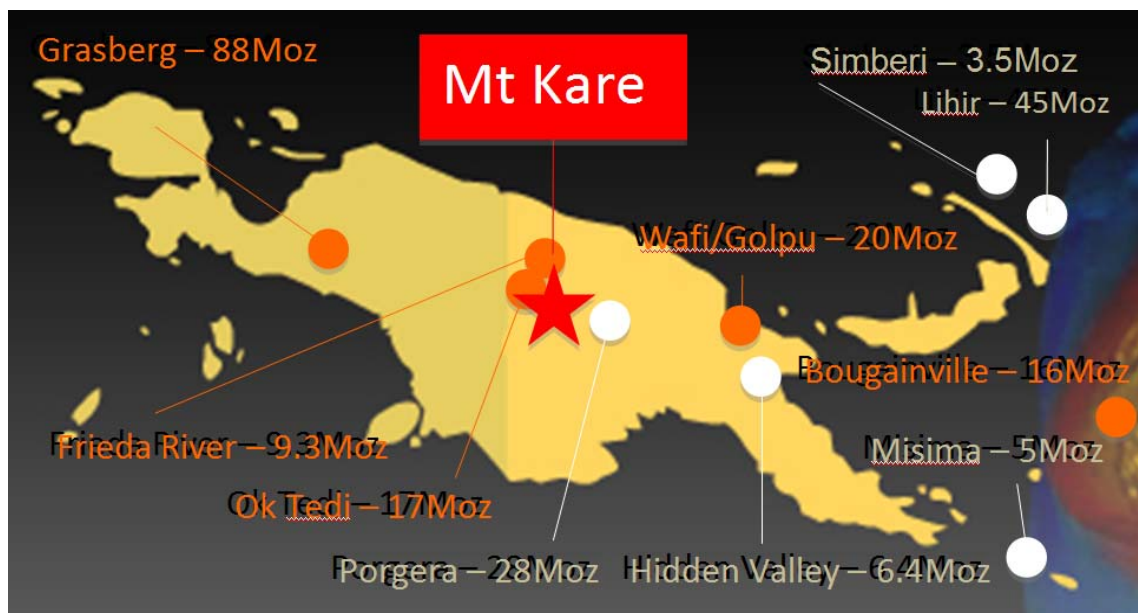


Figure 1: PNG Project Location Map

Shareholder Approval and Financing

Indochine has acquired ownership of Summit Development Ltd, the PNG company that owns EL1093. The cost of the acquisition, inclusive of fees, was approximately \$27 million payable in cash (37%) and Indochine shares (63%). On 1 June 2011, at an Extraordinary General Meeting shareholders unanimously approved the acquisition, with all votes recorded in favour, and with more than 50% of all shareholders having voted. Subject to completion of certain formalities in PNG, the 68 million shares will be issued to the vendors.

Financing was sought to undertake a Bankable Feasibility Study over the project. Indochine achieved a successful private placement of shares to institutional investors in April 2011 that raised A\$16 million (before costs) by placing approximately 53.75 million Shares at A\$0.30 per Share. The placement was oversubscribed. Shareholders approved the placement and oversubscriptions on 1 June 2011.

Feasibility Study

The Bankable Feasibility Study has commenced over the gold/silver project in PNG. A camp has been re-established, after discussions with local communities, and will be expanded as the on-site project team expands. An updated JORC-code compliant resource statement is being prepared based on prior data. Contracts have been signed to commence a 10,000 metre drilling program.

Subsequent to the end of the quarter, work was commenced to mobilise three diamond drill rigs to site during late July and into August. The initial focus will be on producing large diameter core for metallurgical studies and will later conduct infill drilling within the current resource as well as for resource extensions.

An experienced technical team is being assembled to undertake the feasibility study, familiar with PNG, which will be comprised of predominantly Melanesian geologists and engineers with international consultants. After the quarter ended, a well credentialed mining engineer was identified to head the project team. He has completed a similar feasibility study on a major gold project in PNG, and the Company will engage geologists from another project where a feasibility study has recently been completed.



Figure 2: Project Area and Camp Establishment

Feasibility Study Timetable

Milestones for the Bankable Feasibility Study over the gold/silver project in PNG are:

- A JORC- code compliant resource statement to be completed in late September-October
- Drilling to be completed for the Metallurgy study in late 2011 with options available early 2012
- Social mapping and ethnographic study to be complete by mid 2012
- An initial environmental study to be completed in early-mid 2012
- A Pre-Feasibility Study to be available in mid 2012
- The Bankable Feasibility Study forecast to be complete by end 2012

Exploration – Kratie North, Cambodia

Background

Indochine holds two large project areas in Cambodia – Kratie and Ratanakiri. Indochine has the largest area of gold and copper leases in Cambodia, spanning in excess of 4300km². Despite the region's renown for hosting several world-class gold and copper deposits, Cambodia has undergone very limited modern exploration, until recently.

Prior exploration conducted by Indochine at Kratie comprised detailed airborne geophysics, stream sediment sampling and soil sampling, which identified Kratie North as a potential new gold mineralised district. Two gold-in-soil anomalies were covered by detailed ground geophysics (IP) during the March and June quarters 2011, prior to a drill program to test the geochemical and geophysical targets to commence after quarter end. After lines were cleared for the geophysical survey, local prospectors identified outcropping gold bearing quartz veins in one of the target areas.

Drill Program

The company completed a 16-hole drill program totalling 2216 metres of diamond drill core over three main targets at Kratie North. The targets were selected based on 3-D modelling of the geophysics merged with geochemical results and surface mapping.

The first target was tested with 6 drill holes over a geophysical (chargeable IP) anomaly with a coincident gold-in-soil anomaly. Pyrite and pyrrhotite mineralisation was intersected in most drill holes over a lateral distance of 400 metres. Partly altered sediments and intrusives, which host the mineralisation, indicate a potential disseminated gold or gold-copper sulphide target.

After the quarter end results were returned from the first hole. Best results included:

8 metres at 1.1 grams/tonne gold (252-260m, KOC001)

9 metres at 1 gram/tonne gold (365-374m, KOC001), both within the zone of:

200 metres at 0.3 grams/tonne gold (240m-440m end of hole), ending in mineralisation.

Gold results with 0.5 – 2.6 grams per tonne gold were returned over a number of 1-2 metre intervals.

Two other targets nearby were tested with ten drillholes positioned along geophysical trends associated with gold-bearing quartz veins at surface. Surface samples of the gold-bearing quartz veins reported in the March quarter returned assays up to 42 grams/tonne gold. Indications from drill core are promising, with a number of quartz-sulphide veins intersected.

Results are still awaited for 15 drillholes.

Once all results are received and interpreted, a decision will be made about further drilling in December after the end of the wet season. Targets sought are large scale high grade vein gold deposits and/or bulk mineable gold mineralisation with high grade veins.

Hole ID	East	North	Depth (m)	Azimuth	Dip
KOC001	565737	1440846	440.2	270	-80
Hole ID	From	To	Interval (m)	Gold (g/t)	
KOC001	220	440.2	220.2	0.3	
<i>Incl.</i>	252	260	8	1.1	
<i>Incl.</i>	365	374	9	1.0	

Table 1: Drillhole Table for 1st drillhole, Kratie North, Cambodia



Fig. 3: Kratie North – Drill rig

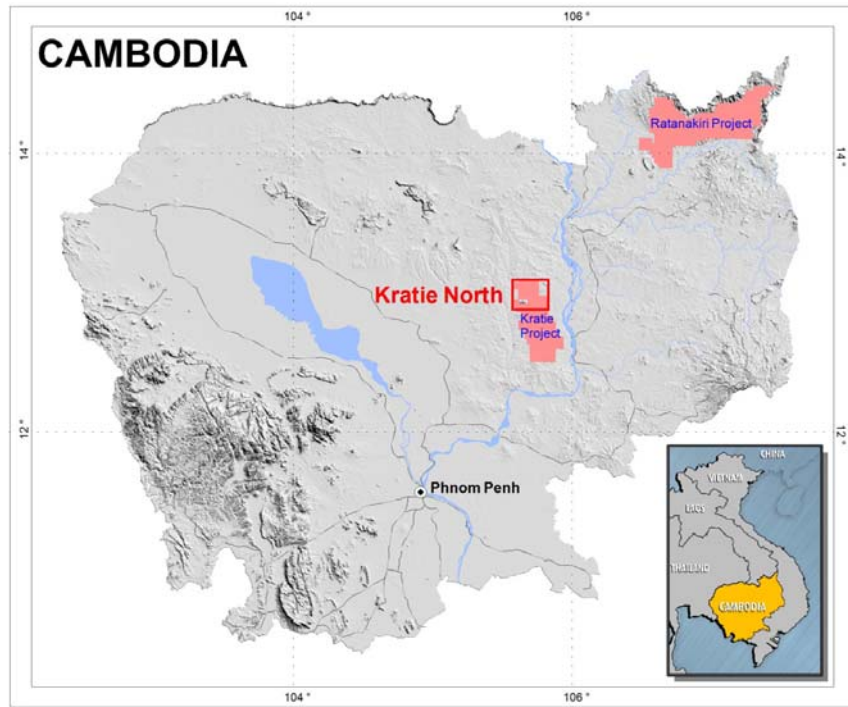


Figure 4: Location Map, Cambodia

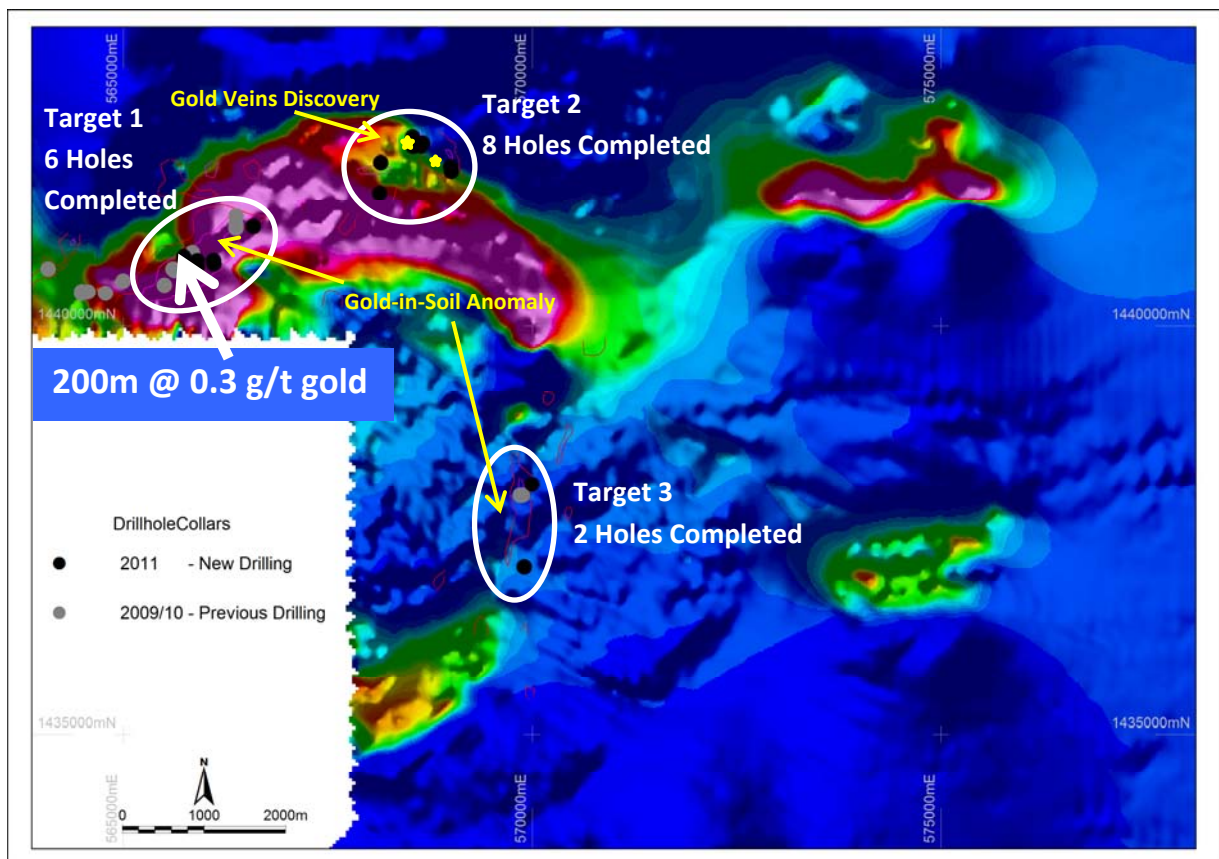


Figure 5: Kratie North Drill Targets overlain on Magnetic data.



Fig.6: Kratie North, Target#1 - Drill core with quartz-pyrite-pyrrhotite veins



Fig. 7: Kratie North, Target #2 - Gold-bearing Vein material; Example of gold recovered from Veins

Exploration – Ratanakiri, Cambodia

At Ratanakiri, in northern Cambodia, results from re-assaying of a large stream sediment sampling program have identified encouraging gold and copper targets. The focus of the detailed follow-up exploration program is on the best three targets and will include geophysics and stream/soil sampling, which will progress during the September and December quarters. No systematic modern exploration has previously occurred in the Ratanakiri area and therefore a considerable opportunity exists for the Company to make a significant discovery.

Corporate

A capital raising for the PNG gold/silver project was successfully completed during the June quarter which included \$16 million (before financing costs) followed by \$2.1 million in over subscriptions.

Cash in bank was \$21 million at 30 June 2011.

Indochine currently has 423 million shares on issue at 30 June 2011, of which 341 million shares are tradeable and 81.9 million are escrowed until December 2012. A further 68 million shares will be issued soon to complete the PNG gold/silver acquisition.

Shareholders approved the capital raising and the PNG gold/silver acquisition at an Extraordinary General Meeting held during the quarter. After the end of the quarter, on 18 July 2011, the Company's first Annual General Meeting as a public company following its incorporation was held. The Company's three directors were re-elected. The next Annual General Meeting will be held in November 2011 and that meeting will consider the June 2011 financial report.

Stephen Promnitz

Chief Executive Officer
Indochine Mining Limited

For further details:

<p>Company: Indochine Mining - Stephen Promnitz, CEO info@indochineminig.com +61 2 8246 7007</p>	<p>Media: FCR - Robert Williams, Anthony Tregoning +61 2 8264 1003 / +61 468 999 369</p>
--	---

Competent Person Statement

David Meade a full time employee of the Indochine Group (Indochine Resources (Cambodia) 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 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). David Meade has consented to the public reporting of these statements and results and the form and context in which they appear.

References to the Foreign Resource Statement are from the Company's announcement of 4 March 2011 with extracts from the original report titled "Buffalo Gold Limited: Mt Kare Technical Report Update, August 2007," prepared as a National Instrument NI43-101, by Snowden, and included statements of qualified persons relating to the accuracy of the report. This report is available publicly on www.SEDAR.com. A waiver was provided from the ASX listing rule 5.6 to release this foreign resource statement consistent with the Companies Update 11/07 and 05/04. David Meade accepted responsibility for the accuracy of the information supplied therein.