

## Indochine: Market Update

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18 August 2014

Company Announcements Office

Indochine Mining Limited (Indochine or The Company) is pleased to provide the following update:

### Operational Developments

Indochine has directed Australian Contract Mining Pty Ltd (ACM) to mobilise a small team of supervisory personnel to PNG to assist with all aspects of planning and logistics of the proposed exploration Adit and underground diamond drilling program. The Company is also in the process of designing a 7km heavy-duty access track to the site, which would enable mining equipment to be mobilised to the exploration Adit.

### Landowner Investigation Developments

The Landowner Investigation Study (LIS) that was completed and registered with the Mineral Resources Authority (MRA) in PNG was successfully presented in a workshop on 7 and 8 July 2014 to the PNG national government, provincial governments of Enga and Hela and the Local Level Governments in both provinces. Since the project is located in the Enga Province, the Enga Provincial Government (EPG) will be responsible for signing off on the Landowner Investigation Report (LIR) that is a requirement under the Lands Act 1996.

The EPG sought clarification on some key aspects of the LIS, and these have been provided to their satisfaction. We hope that the EPG will shortly endorse the LIS so that the LIR can be conducted on site between the various clans identified as principal landowners in the LIS. This process will take approximately two weeks on site, and will be conducted under the institution of the hausman - a meeting of clan leaders and representatives to sign off on the LIR as clan agents, and also to apportion benefits for each of the clans.

This will:

1. complete the proper identification of customary landowners of the Mt Kare project as required by Summit Development Limited's license condition under EL 1093;
2. comply with the Lands Act 1996 and the requirements of the LIR; and
3. identify the customary landowners of Mt Kare that has been the focus of the Company's Melanesian Approach to addressing landowners issues of Mt Kare.

### Funding

In addition to the new funding provided by the secured lender and in line with the Company's announcement dated 3 August 2014, the Company has received applications for a private placement of 110,670,000 shares at \$0.032 per share to raise \$3,541,440 (**Placement**) before costs. The placement will include 1 free attaching unlisted 2 year option, for every 2 shares issued in the placement, with an exercise price of 7 cents.

The Placement of shares is under the Company's placement capacity under ASX Listing Rule 7.1 and 7.1A. The issue of options will be subject to shareholder approval. The Placement of shares will complete immediately after funds are received and cleared. The Options will be issued after shareholder approval has been obtained.

The shares when issued under the Placement are fully paid ordinary shares in the Company ranking equally with existing shares.

The proceeds raised under the Placement will be used by the Company for:

- Development of the exploration Adit at the Company's Mt Kare site; and
- General working capital purposes.

An Appendix 3B and cleansing notice will be lodged upon issue of the shares under the placement.

#### **Corporate Adviser**

The Company has finalised the appointment of PCF Capital Group as corporate advisers in relation to any future corporate transactions relating to the Company or the Mt Kare Gold - Silver Project.

#### **Company Relocation**

The Company has moved its head-quarters from Sydney to Western Australia.

The Company's new address in Western Australia is:

Level 1, 26 Clive Street  
West Perth WA 6005

The Company's telephone and facsimile numbers have not changed.

#### **Company secretary**

The Company wishes to announce the resignation of Mr Robert Waring as Joint Company Secretary. Mr Waring has been a Joint Company Secretary for the Company for 3.5 years and I would like to thank him for his contribution to the Company's development.

Mr Ashok Jairath will continue to act as Company Secretary of the Company.

#### **Cambodia Tenements**

The Company is in the process of confirming the status of tenement leases in Cambodia and whether they have been renewed. The Company applied for extensions of all tenement leases in Cambodia and has not yet received any written correspondence from the Ministry of Mines in Cambodia confirming whether the tenement leases have been renewed.

The Company is also reviewing the carrying value of its capitalised exploration expenditure that relates to the Cambodian Tenements and the status of the agreement with Capital Mining Limited to farm in.

The Company will provide the market with further updates as appropriate.

Dermott McVeigh, Chairman, Indochine Mining Limited

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