

Indochine Mining Limited

Annual Report 2014

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CHAIRMAN'S REPORT

As Chairman of Indochine Mining Limited (Indochine or the Company), I am pleased to present our shareholders with the Annual Report for the Financial Year to end June 2014.

You are no doubt, aware that the gold equity markets have been through turbulent times with most junior explorers, including Indochine suffering from major reductions in the value of gold equities.

A major milestone achieved during the year has been the completion of the Landowner Investigation Study, (LIS) a key deliverable under the license condition of EL 1093. The LIS is the foundation for the delivery of the Landowner Investigation Report (LIR) that is required under the Lands Act 1996 which validates and confirms the customary landowners of the Mt Kare surveyed boundaries. The acceptance of the LIR by the provincial governments (in particular, the host provincial government of Enga) and the Lands Department is the basis for determining how the identified clans will share in compensation payments for the use of land. This has been a major hurdle for this project since the 1990s and its resolution sets the platform for the more advanced stages of project assessment for Mt Kare. The LIR is currently in progress and the Company has already made an assessment of compensation payable and has remitted the funds to a trust account under the control of the Minerals Resources Authority in PNG.

The Company also signed an access agreement with the Porgera Joint Venture (PJV) to build a track from the Walie Creek road which falls within the PJV tenement, to then finally connect the Mt Kare tenement (EL 1093) to the Highlands Highway via Porgera. The completion of the track will ease the burden of chopper support and facilitate the movement of heavy equipment to the site in support of planned underground drilling from an exploration adit.

The current exploration licence EL 1093 for the Mt Kare Gold Project was due for renewal on 28 August 2014. However, under the PNG Mining Act 1992 section 112, the tenement continues in force until the renewal application has been determined. The Company has applied for the renewal of the license and variations thereof.

The ongoing activities of the Company cannot continue without the support of institutional funds, major shareholders and retail investors. The Board would like to thank the investors and shareholders for supporting the Rights Issue and a number of placements during the year.

A number of Board changes occurred during the year in order to strengthen the mining and engineering skill of the company, with particular focus on Papua New Guinea (PNG). To this end, Mr Craig Dawson, a mining engineer with contemporary experience was appointed to the Board. Mr Ian Ross and Mr Hugh Thomas, who chaired the Board during their tenure, stepped down from the Company during the period, as did Dr Michael Leggo and Mr Robert Thomson. Mr. Stephen Promnitz also stepped down as Chief Executive Officer (CEO) by the end of the period since his appointment in 2010. I would like to acknowledge their contribution and thank them for their support during their tenure.

In coming months, the Company will focus on moving the Mt Kare Gold Project to a new phase with particular emphasis on the construction of the exploration adit and the delivery of a Definitive Feasibility Study.

I would like to thank the management and staff in Australia and Papua New Guinea for their contributions to the development of your Company during a year that has proved extremely challenging to our sector of the market.



Dermott McVeigh
Chairman

REVIEW OF OPERATIONS

Summary

Indochine Mining Limited's ('Indochine' or the 'Company', ASX & POMSx:IDC) flagship gold project at Mt Kare in Papua New Guinea (PNG), is an epithermal gold/silver deposit in the Enga Province in PNG, which is owned by Indochine's wholly owned PNG subsidiary, Summit Development Limited (SDL), under exploration licence EL 1093. Geologically, Mt Kare mirrors the adjoining world class 28 Moz Porgera gold mine (production: ~500,000 oz/yr Au) since it is also located along the Porgera Transfer Structure that hosts both projects. The Porgera mine started out on high grade zones as an underground mine and later developed into a major open cut mining operation.

Indochine has attracted the backing of large global institutions as major shareholders, together with high net worth investors and the project developers (MCA Nominees). Project success is focused on partnering with experts in underground drilling, mining and treatment plants.

Some of Indochine's key strengths include the successful application of a customary approach, termed the 'Melanesian approach' to achieve community support that in turn has engendered government support; to partner with mining experts; and to enjoy the backing of some of the world's largest funds.

The project manager, George Nuimatawalu (Mining Engineer, MBA, ex-mining regulator), who helped foster the local support, has experience in delivering mining projects in PNG that have had the same design, permitting and landowner challenges.

Key Milestone Reached – Solving the difficult and complex landowner issues at Mt Kare

During the year, the Company completed the Landowner Investigation Study (LIS), which was a key milestone and license condition for the Company as it had invested considerable time and effort into properly identifying the customary landowners of the Mt Kare land. Having achieved this milestone, the Company can now deal directly with the rightful landowners at all times which makes the consultation process much more streamlined. The Company is firmly focused on building on already strong relationships with the PNG Government (State, Provincial, and Local) and local people – as these will be the partners in the development and operation of the Mt Kare project.

Shareholders should not underestimate the significance of this LIS as many projects in PNG have not completed such a study in a manner that integrates sociological, customary and legal requirements to then pre-empt the subsequent completion of a Landowner Investigation Report (LIR) that is required under the Lands Act 1996. The LIS is therefore the social mapping component of the project and the LIR is the legal recognition of these landowners within clans that have ownership and user rights in the project area – the latter culminating in a benefits sharing agreement within these clans who are then recognised in a registered landowner umbrella association – a key requirement in getting landowners to participate in the Mining Development Forum that will culminate in a Mining Memorandum of Agreement (MOA) as required by PNG Mining Policy.

The LIS validated the malu (oral narrator of clan history) interviews by getting all claimant clans to walk and mark out their land boundaries based on their malu, and witnessed by other clans. This was a major operation that involved around 500 landowners on site and the ramp up of the two camps, including the construction of fly camps in the field, to facilitate the process. A total of about 600km was walked during a period of 3 months, and disputes resolved during this period as required by local custom. The whole process of the boundary walk was then witnessed by government officials from the State and provinces, and duly recorded by the Company's LIS consultants. Figure 1 (page 5) shows the surveyed land boundaries so derived from the LIS survey program.

Other Activities

Planning and design work was also completed during the period on the proposed access track and laydown area at Walie Creek, and the adit portal construction and laydown area in Maratane.

Cambodia

The licences in respect of the Cambodian operations comprise of several licences across a large geographic area. These licences expired on 7 July 2013. Applications to extend the licences were lodged prior to expiry for third renewal, which is solely at the discretion of the Cambodian government. The Company was recently advised that the extension was not granted. Management has therefore determined that all of these licences be treated as "abandoned areas" or impaired assets. The costs of acquiring the licences as well as all subsequent costs have been ascribed as impairment expenses for expired licences.



Figure 1: Surveyed land boundaries derived from the LIS survey program

Finance Report

The Company's loss for the financial year after tax was \$10.8 million, predominantly due to the impairment of Cambodian assets. During the year the Australian dollar strengthened substantially against the Papua New Guinea Kina. This resulted in a loss of \$4.9 million under foreign currency translation in the Company's Statement of Comprehensive Income. The total comprehensive income after tax for the financial year to 30 June 2014 is a loss of \$ 15.8 million.

The Company's asset base has grown over the financial year to June 2014, as reflected in the Statement of Financial Position, because most exploration expenditure was capitalised. The capitalised exploration assets have grown from \$82.3 million to \$88.8 million net of impairment due primarily to the development work in PNG.

Shareholders' equity decreased slightly to \$82 million, a decrease of \$0.8 million over the previous year, predominantly due the asset impairment of Cambodian tenements and foreign currency translation loss.

The issued capital of Indochine is 1,095,830,501 shares as at the date of this Financial Report.

During the year a number of capital raising were undertaken and are detailed as follows:

- Private placement of \$3,049,800 with the issue of 38,122,500 shares at \$0.08 per share on 19 August 2013.
- Rights Issue of 2 for 5 pro-rata non renounceable offer raising \$5,988,852 with the issue of 85,555,025 shares at \$0.07 per share on 12 November 2013.
- Private placement of \$3,446,699 with the issue of 38,296,655 shares at \$0.09 per share on 31 March 2014.
- Private placement of \$3,877,993 with the issue of 92,333,175 shares at \$0.042 per share on 6 June 2014, with one free attaching 2 year option for every two shares, with an exercise price of \$0.085 and subject to shareholder approval.

Post financial year end, a private placement of \$3,541,440 with the issue of 110,670,000 shares at \$0.032 per share was closed on 12 September 2014, with one free attaching 2 year option for every 2 shares, with an exercise price of \$0.07 and subject to shareholder approval.

Mineral Resource and Ore Reserve Statement

Summary

This statement represents the Mineral Resources and Ore Reserves (“MROR”) for Indochine Mining

Limited (IDC) as at 30 June 2014. This MROR statement has been compiled and reported in accordance with the guidelines of the 2012 Edition of the ‘Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves’ (2012 JORC Code) also represents the first MROR statement for the Company.

This statement is to be reviewed and updated annually in accordance with Section 15 of the 2012 JORC Code. The nominated annual review date for this MROR statement is 30 June. During the period the Company’s Mineral Resources remained unchanged at the Mt Kare Gold/Silver project in Papua New Guinea. The tenement licences issued by PNG Government are held by Summit Development Limited, a PNG entity, which is 100% owned by IDC.

The Mt Kare mineral resource estimate was updated and reported in July 2013 in accordance with the guidelines of the 2004 Edition of the JORC Code and has not been updated to comply with the 2012 JORC Code. The Company is not aware of any new information or data that materially affects the information included in the relevant market releases for this estimate. The Company confirms that all material assumptions and technical parameters underpinning the estimate in the relevant market releases continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Person’s findings are presented here have not been materially modified.

As at the Annual Review date of 30 June 2014, this MROR Statement has been approved by the named competent person, Mr Anthony Burgess.

Mineral Resource

As at 30 June 2014 the Company’s Mineral Resources for the Mt Kare Gold/Silver project are:

Mt Kare Gold/Silver project – JORC 2004 Resource at 0.5 g/t gold cut-off

JORC Resource Category	Million Tonnes	Gold g/t	Silver g/t	Gold Moz	Silver Moz
Measured Resource	20.2	1.84	20.9	1.19	13.5
Indicated Resource	8.3	1.29	8.1	0.34	2.2
Measured and Indicated Resource (Combined)	28.4	1.68	17.2	1.53	15.7
Inferred Resource	14.1	1.27	6.0	0.57	2.7
Total Mineral Resource	42.5	1.54	13.5	2.11	18.4

The Mt Kare Gold/Silver Project Mineral Resource was first reported in July 2013 in accordance with the 2004 JORC Code (refer to ASX Releases dated 10 July 2013 for viewing at www.indochinemining.com).

Comparison with Prior Year Estimates

Mineral Resource: During the 2014 financial year, the Company has announced no new changes to the Mt Kare Project mineral resource inventory.

Ore Reserves: As at 30 June 2014 the Company had no reportable Ore Reserves in accordance with the 2012 JORC Code.

Note: *This information was prepared and first disclosed under the JORC code 2004. It has not been updated since to comply with the JORC code 2012 on the basis that the information has not materially changed since it was last reported. The Company is not aware of any new information or data that materially affects the information included in the previous Australian Securities Exchange (ASX) announcements and that all of the previous assumptions and technical parameters underpinning the estimates in the previous ASX announcement have not materially changed.*

Governance Summary

All drilling, logging and sampling activities are supervised and executed by a large staff of geologists and core personnel on site in Papua New Guinea in accordance with protocols, QA/QC controls and written procedures developed by Senior Geologists in consultation with the Competent Person ("CP"). All Indochine drilling uses diamond triple tube to obtain predominantly PQ core. The use of a new proprietary drilling mud since 2013 has ensured core recoveries above 90% across all zones. Electronic down hole survey equipment provides orientation and dip information at 30m intervals with collar co-ordinate surveys by DGPS. Core is logged at site by Company Geologists using an electronic logging system with validation and loaded into a relation database by an external database Consultant. Assay QA/QC assay procedures and reports monitor crushing and pulverisation during sample preparation and subsequent analysis.

The Mineral Resource estimates listed in this report are subject to Indochine Mining Limited's governance arrangements and internal controls. The resource estimates are derived by the CP with the relevant experience in the style of mineralisation and type of deposit under consideration and to the activity which they are undertaking. The CP carries out reviews of the quality, suitability and interpretation of the data underlying the Mineral Resource estimate, including a site visit. Geology, grade and classification models in all instances are generated and substantiated by an independent Resource Consultant in collaboration with the CP.

Competent Person's Statements

The information in this Mineral Resource Statement as a whole has been approved by Mr Anthony Burgess, a Member of the Australasian Institute of Mining and Metallurgy. Mr Burgess is a consultant to the Company and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves." Mr Burgess consents to its inclusion in the Annual Report in the form and context in which it appears.

The information in this report that relates to the Mineral Resource Statement is based on the information compiled and reviewed by Mr Anthony Burgess, who is a member of the Australian Institute of Mining and Metallurgy. Mr Burgess is a Consultant to the Company and has sufficient experience relevant to the style of mineralisation and type of deposits under consideration and to the activity undertaken, being reported herein as Mineral Resource estimate, 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). Mr Burgess has consented to the public reporting of these statements and results and in the form and context in which they appear.

DIRECTORS' REPORT

Your directors submit their report for the period ended 30 June 2014.

DIRECTORS

The names and details of the Company's directors in office during the financial year and until the date of this report are as follows. Directors were in office for this entire period unless otherwise stated.

Dermott McVeigh	(Appointed 31 July 2014)
Gavan H Farley	(Appointed 27 January 2010)
Craig Dawson	(Appointed 18 February 2014)
Hugh Thomas	(Appointed 11 April 2014, Resigned 30 July 2014)
Ian W Ross	(Resigned 17 April 2014)
Dr Michael Leggo	(Resigned 13 May 2014)
Robert Thomson	(Appointed 13 May 2014, resigned 30 July 2014)

NAMES, QUALIFICATIONS, EXPERIENCE AND SPECIAL RESPONSIBILITIES

Dermott McVeigh BA (Hons) Accounting, MBA

Non-executive director and Chairman

Dermott McVeigh is a Chartered Accountant in Australia and Ireland and is a commercial restructuring specialist with over 15 years of experience. Dermott began his career as an auditor in the UK and emigrated to Australia in 2002 where he specialised in corporate restructuring and financial modelling. In 2009, Dermott became one of the youngest partners in Deloitte Touche Tohmatsu in Australia and played an instrumental role in growing Deloitte's Perth practice with the major Australian banks and the mining services sector

Gavan H Farley Dip Bus, Masters of Business Administration (Finance), MAICD

Non-executive director

Gavan has a career spanning 30 years international management. Gavan is currently general manager of Empire Securities Group, non-executive director of ASX listed Pilbara Minerals Limited and director of FCMS Holdings Inc. of the USA. Previously, Gavan was Managing Director of Farley Laserlab USA Inc. and Farley Europe Ltd. Gavan's international experience includes over 15 years in Europe, 13 years in the USA and 5 years in Africa and the Caribbean.

Craig Dawson AssocDipMMT (Mine Surveying), BAppSc (Mining Engineering), MBA, MAusIMM, GAICD, AWASM

Non-executive director

Craig Dawson brings successful mine development experience and expertise over three decades in Australia and Africa. Mr Dawson has had multiple roles in companies such as Lion Ore/Norilsk Nickel Australia, Northern Mining Limited, Aditya Birla Minerals Limited and Sandfire Resources NL, and most recently as the CEO of Nobel Mineral Resources.. A key highlight in his career was his role as General Manager Operations with Sandfire Resources where he led the successful development of the DeGrussa Copper project in Western Australia, an open pit and underground mine and processing plant. Mr Dawson played a pivotal role in delivering the DeGrussa project on time and under budget.

COMPANY SECRETARY

Mr Ashok Jairath held the position of Company Secretary at the end of the financial year. Mr Jairath is an FCPA, with over 35 years of experience in financial and corporate roles in Australia and Europe and Company Secretary roles in other listed and unlisted public companies. Mr Jairath is also the Chief Financial Officer of the Company.

OPERATING RESULTS

The consolidated loss of the consolidated group for the financial year after providing for income tax amounted to \$10,864,203 (2013 loss of \$ 13,881,202).

DIVIDENDS

No dividends have been paid or declared during the financial year, nor do the directors recommend the declaration of a dividend.

FINANCIAL POSITION

The net assets of the consolidated group decreased by \$806,423 from \$82,850,239 as at 30 June 2013 to \$82,043,816 as at 30 June 2014.

SIGNIFICANT EVENTS AFTER THE BALANCE DATE

On 30 July 2014, the Chairman and CEO of the Company resigned and on 31 July 2014, Mr Dermott McVeigh was appointed as the Chairman. On 3 August 2014, Aude Holdings Pty Ltd as trustee for Lastours Investment Trust provided a further \$1.15 million secured loan. This loan is in addition to a secured loan of \$1.5 million provided on 6 February 2014. On 12 September 2014, the Company completed a Private Placement of 110,670,000 shares at \$0.032 cents per share to raise \$ 3,541,440.00. The placement included 1 free attaching unlisted 2 year option for every 2 shares subscribed in the placement with an exercise price of \$0.07, subject to shareholder approval. On 18 August 2014, the registered office of the Company was relocated to Perth.

The current exploration licence EL 1093 for the Mt Kare Gold Project reached its expiration date on 28 August 2014. However, under the PNG Mining Act 1992 section 112, the tenement continues in force until the renewal application has been determined. The Company has applied the renewal of the license

LIKELY DEVELOPMENTS AND EXPECTED RESULTS

Potential developments in the operations of the Group and the expected results of those operations in future financial years have not been included in this report as the inclusion of such information is likely to result in unreasonable prejudice to the Group.

ENVIRONMENTAL REGULATION AND PERFORMANCE

The economic entity's operations are subject to significant environmental regulation in respect to its exploration activities. There have been no reports of breaches of environmental regulations during the financial year or to the date of this report.

REMUNERATION REPORT

This report details the nature and the amount of remuneration for each director of Indochine Mining Limited and for the executives receiving the highest remuneration.

The performance of key management personnel is measured against criteria agreed annually with each executive and is based predominantly on the achievement of certain set targets. The Board may, however, exercise its discretion in relation to approving incentives, bonuses and options, and can recommend changes to the committee's recommendations. Any changes must be justified by reference to measurable performance criteria. The policy is designed to attract the highest calibre of executives and reward them for performance results leading to long-term growth in shareholder wealth

Key management personnel based in Australia receive a superannuation guarantee contribution required by the government, which is currently 9.25%, and do not receive any other retirement benefits.

Upon retirement, key management personnel are paid employee benefit entitlements accrued to the date of retirement. Key management personnel are paid an agreed amount in the event of redundancy.

All remuneration paid to key management personnel is valued at the cost to the company and capitalised and expensed according to the proportion of time spent on exploration.

The Board's policy is to remunerate non-executive directors at market rates for time, commitment and responsibilities. The remuneration committee determines payments to the non-executive directors and reviews their remuneration annually, based on market practice, duties and accountability. Independent external advice is sought when required. The maximum aggregate amount of fees that can be paid to non-executive directors is subject to approval by shareholders at the Annual General Meeting and is currently set at \$350,000 per annum. Additionally, the directors can be entitled to be paid \$2,000 per day as consulting fees for work outside the scope of director's normal duties.

Employment Details of Members of Key Management Personnel and Other Executives

The following table provides employment details of persons, who were, during the financial year, key management personnel of the consolidated group, and to the extent different, among the five group executives or company executives receiving the highest remuneration. The table also illustrates the proportion of remuneration that was performance and non-performance based and the proportion of remuneration received in the form of options.

	Position Held as at 30 June 2014 and any Change during the Year	Contract Details (Duration and Termination)	Proportions of Elements of Remuneration Related to Performance			Proportions of Elements of Remuneration Not Related to Performance	
			Non-salary Cash-based Incentives	Shares/Units	Options/Rights	Fixed Salary/Fees	Total
			%	%	%	%	%
Directors							
Hugh Thomas ⁽¹⁾	Director		-	-	-	100	-
Ian W Ross ⁽²⁾	Director		-	-	-	100	-
Gavan H Farley	Director		-	-	-	100	-
Michael Leggo ⁽³⁾	Director		-	-	-	100	-
Craig Dawson ⁽⁴⁾	Director		-	-	-	100	-
Robert Thomson ⁽⁵⁾	Director		-	-	-	100	-
Management							
Stephen C Promnitz ⁽⁶⁾	CEO	1 yrs, 6 months notice	-	-	-	100	-
Ashok Jairath	CFO	Renewable annually, 3 months notice	-	-	-	100	-
George Niumataiwalu	Project Director Regional Country Officer PNG	1 yrs, 3 months notice	-	-	-	100	-

(1) Appointed 11 April 2014, resigned 30 July 2014

(2) Resigned 17 April 2014

(3) Resigned 13 May 2014

(4) Appointed 18 February 2014

(5) Appointed 13 May 2014, resigned 30 July 2014

(6) Resigned 30 July 2014

The employment terms and conditions of key management personnel and group executives are formalised in contracts of employment.

Remuneration Details for the Year Ended 30 June 2014

The following table of benefits and payments details, in respect to the financial year, the components of remuneration for each member of the key management personnel of the consolidated group and, to the extent different, the five Group executives and five company executives receiving the highest remuneration.

Table of Benefits and Payments for the Year Ended 30 June 2014

	Short Term Benefits		Post Employment Benefits	Share-based Payments	Total
	Cash Salary, Fees and Other	Deferred Salary**	Superannuation Contribution	Options/ Shares	
	\$	\$	\$	\$	
Directors:					
Hugh Thomas ⁽¹⁾	8,175	16,350	-	-	24,525
Ian W Ross ⁽²⁾	18,750	57,903	1,734	-	78,387
Gavan H Farley	12,500	51,894	1,156	-	65,550
Michael Leggo ⁽³⁾	12,500	43,700	1,156	-	57,356
Craig Dawson ⁽⁴⁾	0	24,581	0	-	24,581
Robert Thomson ⁽⁵⁾	0	8,194	0	-	8,194
Management:					
Stephen C Promnitz, CEO ⁽⁶⁾	297,483	325,000	27,517	-	650,000
Ashok Jairath, CFO	116,280	165,220	-	-	281,500
George Niumataiwalu Country Officer PNG & Regional Project Director	372,997	56,376	20,627	-	450,000

⁽¹⁾ Appointed 11 April 2014, resigned 30 July 2014

⁽²⁾ Resigned 17 April 2014

⁽³⁾ Resigned 13 May 2014

⁽⁴⁾ Appointed 18 February 2014

⁽⁵⁾ Appointed 13 May 2014, resigned 30 July 2014

⁽⁶⁾ Resigned 30 July 2014

** Deferred salaries of Directors and Management are reflected in the accounts as accrued expenses and creditors and may become payable in the future.

Table of Benefits and Payments for the Year Ended 30 June 2013

	Short Term Benefits	Post Employment Benefits	Share-based Payments	
	Cash Salary, Fees and Other	Superannuation Contribution	Options/Shares	Total
	\$	\$	\$	\$
Directors:				
Ian W Ross	67,500	6,075	-	73,575
Gavan H Farley	60,000	3,600	-	63,600
Stephen G Gemell ⁽¹⁾	65,528	5,898	-	71,426
John T Shaw ⁽²⁾	25,000	2,250	-	27,250
Michael Leggo ⁽³⁾	12,500	1,125	-	13,625
Management:				
Stephen C Promnitz, CEO	571,484	51,434	-	622,918
Ashok Jairath, CFO	266,200	-	40,500	306,700
George Niumataiwalu Country Officer PNG& Regional Project Director	426,127	24,771	135,000	585,898
Ross M Hill, COO Cambodia	369,848*	-	-	369,848
David Meade, Geologist & Country Officer Cambodia ⁽⁴⁾	88,965*	-	-	88,965

* Includes expatriate benefits such as housing, motor vehicle allowance, children education allowance attendance and club memberships.

(1) Resigned 7 June 2013

(2) Resigned 28 November 2012

(3) Appointed 19 April 2013

(4) Employment ceased 31 August 2012

Cash Bonuses, Performance-related Bonuses and Share-based Payments

No members of key management personnel are entitled to receive securities which are not performance-based as part of their remuneration package.

MEETING OF DIRECTORS

During the financial year, 16 meetings of directors were held. Attendances by each director during the year were as follows:

	Number eligible to attend	Number attended
Hugh Thomas ⁽¹⁾	3	3
Ian W Ross ⁽²⁾	15	14
Gavan H Farley	17	17
Michael Leggo ⁽³⁾	15	15
Craig Dawson ⁽⁴⁾	5	5
Robert Thomson ⁽⁵⁾	2	2

(1) Appointed 11 April 2014, resigned 30 July 2014

(2) Resigned 17 April 2014

(3) Resigned 13 May 2014

(4) Appointed 18 February 2014

(5) Appointed 13 May 2014, resigned 30 July 2014

The Audit Committee met twice during the year. Attendances by each of the members during the year were as follows:

	Number eligible to attend	Number attended
Gavan H Farley	2	2
Michael Leggo	2	2

The Remuneration and Nomination Committee met twice during the year. Attendances by each of the members during the year were as follows:

	Number eligible to attend	Number attended
Ian Ross	2	2
Gavan H Farley	2	2
Michael Leggo	2	2

INDEMNIFICATION AND INSURANCE OF DIRECTORS AND OFFICERS

No indemnities have been given or insurance premium paid, during or since the end of the financial year, for any person who is or has been an officer of the Company.

OPTIONS

At the date of this report, the unissued ordinary shares of Indochine Mining Limited under options are as follows:

Grant Date	Date of Expiry	Exercise Price	Number under Option
02/07/07	30/09/14	0.20	5,000,000
28/04/08	30/09/14	0.20	2,500,000
30/06/09	30/12/14	0.20	1,500,000
30/09/09	30/09/14	0.20	5,000,000
08/11/10	30/09/14	0.20	7,500,000
18/11/09	30/09/14	0.20	5,000,000
17/03/10	17/03/15	USD 0.25	5,000,000
18/03/10	30/12/15	0.20	4,000,000
04/02/11	05/07/14	0.20	1,250,000
04/02/11	05/07/14	0.20	1,500,000
17/06/13	16/01/18	0.00	14,500,000
31/03/14	31/03/19	0.00	16,500,000
			69,250,000

SHARE- BASED PAYMENT

Shares or options under the Employee Share and Option plan granted during the financial year are set out below:

	Number	Weighted Average exercise price
Options outstanding as at 30 June 2012	-	-
Granted	14,500,000	0
Forfeited		
Exercised		
Expired		
Options outstanding as at 30 June 2013	14,500,000	0
Granted	16,500,000	0
Forfeited	-	-
Exercised	-	-
Expired	-	-
Options outstanding as at 30 June 2014	31,000,000	0
Options exercisable as at 30 June 2014	1,525,000	0

PROCEEDING ON BEHALF OF THE COMPANY

No person has applied for leave of any Court to bring proceedings on behalf of the company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings.

The Company was not a party to any such proceedings during the year.

NON-AUDIT SERVICES

The Board of Directors, in accordance with advice from the Audit Committee, is satisfied that the provision of non-audit services during the year is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001. The Directors are satisfied that the services disclosed below did not compromise the external auditor's independence for the following reasons:

- all non-audit services are reviewed and approved by the Audit Committee prior to commencement to ensure they do not adversely affect the integrity and objectivity of the auditor; and
- the nature of the services provided do not compromise the general principles relating to auditor independence in accordance with APES 110: Code of Ethics for Professional Accountants set by the Accounting Professional and Ethical Standards Board.

The following fees for non-audit services were paid/payable to the external auditors during the year ended 30 June 2014:

	\$
Taxation services and other services	22,526

AUDITOR'S INDEPENDENCE DECLARATION

The auditor's independence declaration for the year ended 30 June 2014 has been received and can be found on page 16 of the Directors' Report.

Signed in accordance with a resolution of the Board of Directors.



Dermott McVeigh
Non-Executive Chairman

Date: 26th September 2014

AUDITOR'S INDEPENDENCE DECLARATION



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AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the audit of the financial report of Indochine Mining Limited for the year ended 30 June 2014, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- (ii) any applicable code of professional conduct in relation to the audit.

RSM Bird Cameron Partners

RSM BIRD CAMERON PARTNERS

G N Sherwood
GNS

G N SHERWOOD
Partner

Sydney, NSW
Dated: 26 September 2014

Liability limited by a
scheme approved
under Professional
Standards Legislation

Major Offices in:
Perth, Sydney,
Melbourne, Adelaide,
Canberra and Brisbane
ABN 36 965 185 036

RSM Bird Cameron Partners is a member of the RSM network. Each member of the RSM network is an independent accounting and advisory firm which practises in its own right. The RSM network is not itself a separate legal entity in any jurisdiction.



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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF INDOCHINE MINING LIMITED



RSM Bird Cameron Partners
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GPO Box 5138 Sydney NSW 2001
T +61 2 8226 4500 F +61 2 8226 4501

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF INDOCHINE MINING LIMITED

Report on the Financial Report

We have audited the accompanying financial report of Indochine Mining Limited, which comprises the consolidated statement of financial position as at 30 June 2014, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the year's end or from time to time during the financial year.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error. In Note 1, the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that the financial statements comply with *International Financial Reporting Standards*.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Indochine Mining Limited, would be in the same terms if given to the directors as at the time of this auditor's report.

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Opinion

In our opinion:

- (a) the financial report Indochine Mining Limited is in accordance with the *Corporations Act 2001*, including:
 - i. giving a true and fair view of the consolidated entity's financial position as at 30 June 2014 and of its performance for the year ended on that date; and
 - ii. complying with Australian Accounting Standards and the *Corporations Regulations 2001*; and
- (b) the financial report also complies with *International Financial Reporting Standards* as disclosed in Note 1.

Emphasis of Matter

Without qualifying our opinion, we draw attention to Note 1 (r) in the financial report which discloses that the parent company and consolidated entity incurred losses of \$16,947,022 and \$10,864,203 respectively and the consolidated entity had net cash outflows from operating activities of \$2,129,166 and net cash outflows from investing activities of \$15,209,073 for the year ended 30 June 2014. As at that date the consolidated entity had net current liabilities of \$7,784,139, cash at bank of \$497,078, and net assets of \$82,043,816. The ability of the company and consolidated entity to continue as going concerns is dependent on a number of factors, the most significant of which is continued support of its creditors and the ability to source sufficient capital to repay existing creditors and fund its future exploration and operational activities. These conditions, along with other matters as set forth in Note 1 (r), indicate the existence of a material uncertainty which may cast significant doubt about the company's and consolidated entity's ability to continue as going concerns and therefore, the company and consolidated entity may be unable to realise their assets and discharge their liabilities in the normal course of business.

Report on the Remuneration Report

We have audited the Remuneration Report included in pages 5 to 8 of the directors' report for the year ended 30 June 2014. The directors of the company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Opinion

In our opinion the Remuneration Report of Indochine Mining Limited for the year ended 30 June 2014 complies with section 300A of the *Corporations Act 2001*.

A handwritten signature in blue ink that reads "RSM Bird Cameron Partners".

RSM BIRD CAMERON PARTNERS

A handwritten signature in blue ink that reads "G N SHERWOOD".

G N SHERWOOD
Partner

Sydney, NSW
Dated: 26 September 2014

CORPORATE GOVERNANCE STATEMENT

The Board of Directors of Indochine Mining Limited (Indochine) is responsible for protecting the rights and interests of shareholders through the implementation of sound strategies and action plans, and the development of an integrated framework of controls over the consolidated entity's resources, functions and assets. The Company's corporate governance practices, which are summarised below, are reviewed and amended by the Board, at appropriate intervals (at least annually), including prior to the finalisation of the Annual Report.

The Board (consisting of Non-Executive Chairman Mr Dermott McVeigh, Non-Executive Director Mr Gavan Farley and Non-Executive Director Craig Dawson) draws on relevant best practice principles, particularly those issued by the ASX Corporate Governance Council's third edition of the publication, "Corporate Governance Principles and Recommendations", which was released in March 2014 and is referred to for guidance purposes. While Indochine attempts to adhere to the principles proposed by the ASX, it is mindful that there may be some instances where compliance is not practicable for a company of its size. However, all listed companies are required to produce a corporate governance statement that discloses the extent to which the entity has followed the recommendations, and to identify any recommendations that have not been followed, the period during which it was not followed, the reasons for not doing so and any alternative governance practices that have been adopted in lieu of the recommendation.

The Company's Board of Directors has recently reviewed the recommendations, and approved the Company's Corporate Governance Statement as at 3 September 2014. In many cases the Company was already achieving the standard required. In other cases the Company has considered other arrangements to enable compliance. In a limited number of instances, the Company has determined not to meet the standard set out in the recommendations, largely due to the recommendation being considered by the Board to be unduly onerous for a company of Indochine's size. The Company's written policies on corporate governance matters are included in its Corporate Governance Manual in the Investor section of the Company's website at www.indochinemining.com. The following section sets out the Company's position relative to each of the eight principles contained in the ASX Corporate Governance Council's report.

Principle 1: Lay solid foundations for management and oversight

The Company has established and disclosed the respective roles and responsibilities of its Board and management. It has not, however established and disclosed how their performance is monitored and evaluated. The Company has disclosed those matters expressly reserved to the Board and those delegated to management. The Company undertakes appropriate checks before appointing a person, or putting forward to security holders a candidate for election, as a Director. The Company also provides security holders with all material information in its possession relevant to a decision on whether or not to elect or re-elect a Director. The Company Secretary of Indochine is accountable directly to the Board, through the Chairman, on all matters to do with the proper functioning of the Board.

The Company has a Diversity Policy, which includes requirements for the Board to set key performance indicators for achieving gender diversity and to assess annually both the objectives and the Company's progress in achieving them. The Company has disclosed its Diversity Policy in its Corporate Governance Manual in the Investor section of its website at www.indochinemining.com. It has not previously disclosed, as at the end of each reporting period, the measurable objectives for achieving gender diversity set by the Board in accordance with the Company's Diversity Policy and its progress towards achieving them. The Company has disclosed the respective proportions of men and women on the Board, in senior executive positions and across the whole organisation. At least once every 12 months the Remuneration Committee reviews the Diversity Policy, including the diversity objectives, and reviews the progress on the achievement of the diversity objectives. Currently the Company has no women on its Board, no women in senior positions and 3 women in the whole organisation. In accordance with the adopted Diversity Policy, the Company's objective is to increase the diversity of its staff as it grows in size. The Board believes that the pursuit of diversity in the workplace increases the Company's ability to attract, retain and develop the best talent available, creates an engaged workforce, delivers the highest quality services to its customers, enhances individual work-life balance, encourages personal achievement, improves co-operation and assists in the optimisation of organisational performance. Diversity in the workplace should mirror the diversity of the broader community, encompassing age, gender, ethnicity, cultural and other personal factors. The Company respects the diversity of all its employees, consultants and contractors, and cultivates an environment of fairness, respect and equal opportunity.

The Company has defined "senior executive" for these purposes following the classification in its Remuneration Report. Indochine's Board has a small management team reporting to it through its Non-Executive Directors. This allows for the open dialogue consistent with the Company's size and type. Indochine has not yet formalised written processes for evaluating the performance of senior executives. This matter remains under review.

The functions of the Board include:

- ensuring that Indochine conducts itself with the highest ethical standards. All Directors and employees will be expected to act with integrity and objectivity, striving at all times to enhance the reputation and performance of the Company;
- overseeing and monitoring organisational performance, including assessing risk, on behalf of the Company's shareholders;
- reviewing and approving corporate strategies, the annual budget, and financial and business plans;
- monitoring financial performance, including approval of the annual and half-year financial reports, and liaising with Indochine's auditor;
- appointing and assessing the performance of the CEO and the other members of the senior management team;
- ensuring that there are effective management processes in place and approving major corporate initiatives; and
- enhancing and protecting the reputation of Indochine.

The CEO's responsibilities and duties include:

- formulating with the Board the vision and strategy of the Company, developing action plans to achieve this vision and reporting regularly to the Board on progress made;
- providing leadership to the management team and employees, appointing and negotiating terms of employment of senior staff members (with Board approval where necessary), developing a succession plan, and ensuring procedures are in place for education and training to ensure compliance with laws and policies. The process for evaluating the performance of executives and staff members has been developed by the CEO, the Board and the Remuneration Committee;
- the successful implementation of the Company's product commercialisation; and
- bringing matters requiring review / approval to the Board, advising them on the changes in the Company's risk profile, providing certification regarding the financial statements for the quarterly, half-year and annual reports, reporting to the Board on a monthly basis the performance of the Company and ensuring the education of the Directors on relevant matters.

Principle 2: Structure the Board to add value

The Board of Indochine does not have a separate Board Nomination Committee. The Board takes the view that because of the small size of the Company and its limited financial capacity, there is no added benefit that will accrue at this stage from compliance with the requirement to have a separate Nomination Committee. The processes it employs to address Board succession issues, and to ensure that the Board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively are carried out by the full Board and the Remuneration Committee. This includes reviewing Board performance, size and capacity of the Board (with appropriately experienced Independent Directors), and the mix of skills and gender diversity on the Board. The Company does not yet have a Board skills matrix setting out the mix of skills and diversity that the Board has and is looking to achieve in its membership.

The Company has disclosed the names of the Directors considered by the Board to be independent Directors. The Company has disclosed if a Director has an interest, position, association or relationship of the type described in Box 2.3 of the Corporate Governance Principles and Recommendations (third edition), but the Board is of the opinion that it does not compromise the independence of the Director. The length of service of each Director as at the end of the reporting date was: Mr McVeigh – 2 months, Mr Farley – 5 years and Mr Dawson – 7 months. The majority of the Board members are Independent Directors. The Chairman of the Board is an independent Director and Indochine does comply with the recommendation that the Chairman is not the Chief Executive Officer (CEO). Given the nature of the Company's operations and current stage of development, Indochine does not see the added benefit in separating these roles at this stage, and does not believe that the length of service of its Non-Executive Directors compromises their independence.

An induction programme for new Directors of the Company will be considered for any new Directors, but does not currently exist. The Company provides appropriate professional development opportunities for Directors to develop and maintain the skills and knowledge needed to perform their role as Directors effectively. Indochine has sought to maintain a Board with a common vision and complementary relevant experience. Each Director of the Company has the right to seek independent professional advice at the expense of the Company (this requires the prior approval of the Chairman but will not be unreasonably withheld).

Principle 3: Act ethically and responsibly

The Company has a code of conduct for its Directors, senior executives and employees to guide compliance with legal and other obligations and has disclosed that code in its Corporate Governance Manual in the Investor section of its website at www.indochinemining.com. The Board of Directors continues to review the code and the Company's situation to determine if its code contains the most appropriate and effective operational procedures for a company of its size.

Indochine has a policy concerning trading in its securities by Directors and Executives who must consult with the Chairman or the Chief Executive Officer (CEO) before dealing in Indochine shares. Purchases or sales of Indochine shares are ideally carried out in the "window", being the period commencing two days, and ending 30 days, following the date of announcement of the Company's annual or half-yearly results, or a major announcement leading, in the opinion of the Board, to an informed market. However, Directors, employees and key consultants are prohibited from buying and selling Company's shares any time if they are aware of price-sensitive information that has not been made public.

Principle 4: Safeguard integrity in corporate reporting

The Company has an Audit Committee consisting of Messrs Farley (Committee Chairman) and Dawson. It does not comply with the recommendation that the Committee should have at least three members, all of whom are Non-Executive Directors, in that it only has two members. This continues to be reviewed by the Company but alternatives are limited due to size constraints based on the availability and relevant experience of the Company's Directors. It does comply with the recommendation that a majority of the Committee members should be independent Directors, as both are independent Non-Executive Director of the Company. It does comply with the recommendation that the Committee is chaired by an independent Director who is not the chair of the Board. The Audit Committee has a formal charter that sets out the Committee's role, responsibilities, composition, structure and membership requirements, which is disclosed in its Corporate Governance Manual in the Investor section of its website at www.indochinemining.com. The Audit Committee has disclosed the relevant qualifications and experience of the members of the Committee on its website and in its Annual Report, where it has also disclosed, in relation to each reporting period, the number of times the Committee met throughout the period and the individual attendances of the members at those meetings. Messrs Farley and Dawson, who are suitably qualified with an understanding of accounting matters, meet with the Company's external auditors at least once during each half-year, and report to the Board prior to the finalisation of the financial statements and prior to the signing of the Audit Report. The Board of the Company receives from its CEO and CFO (before it approves the Company's financial statements for a financial period) a declaration that, in their opinion, the financial records of the Company have been properly maintained, and that the financial statements comply with the appropriate accounting standards. The declaration also states that the financial statements give a true and fair view of the financial position and performance of the Company, and that their opinion has been formed on the basis of a sound system of risk management and internal control, which is operating effectively. The Company requests that its external auditor attends its annual general meeting and is available to answer questions from security holders relevant to the audit and this has been supported by the Company's audit partner at RSM Bird Cameron.

Principle 5: Make timely and balanced disclosure

The Company has defined, under its Securities Trading Policy and its Corporate Governance Manual, an internal protocol for the reporting of material information to the shareholders and ASX. The Board is very aware of the ASX's continuous disclosure requirements, and operates in an environment where strong emphasis is placed on full and appropriate disclosure to the market. A regular review takes place to ensure compliance with ASX Listing Rule 3.1.

Principle 6: Respect the rights of security holders

The Company has provided information about itself and its governance to investors via its website in the Business Summary and Corporate Governance areas of the Investor section. All significant information disclosed to the ASX is either posted on Indochine's website, or a link is provided to the ASX website, as soon as it is released to the ASX. The Company has designed and implemented an investor relations programme to facilitate effective two-way communication with investors. When analysts are briefed on aspects of operations, new material used in the presentation is released to the ASX and is also posted under Investor Communication in the Investor section of the Company's website. The Company has disclosed the policies and processes it has in place to facilitate and encourage participation at meetings of security holders. Written policies cover disclosure of price-sensitive information and ensure that the requirements of continuous disclosure are met. These written policies and procedures are designed to enable appropriate communication with, and participation by, shareholders. Indochine gives security holders the option to receive communications from, and send communications to, the Company electronically via the Investor Contact area of the Investor section of its website and its security registry electronically.

Principle 7: Recognise and manage risk

Whilst the Board of the Company does not have a separate committee to oversee risk, it does have processes it employs for overseeing the Company's risk management framework, and while at this stage, no formal policy on the oversight and management of material business risks is in place, as the business grows, this will be reviewed and policies on risk oversight and management of risk will be implemented. Risk management arrangements are the responsibility of the Board of Directors and senior management collectively. Company and business risk factors are an agenda item at each Board meeting and the CEO periodically reports to the Board on risk management, internal controls and the Company's insurance programme. The Audit Committee includes risk management as an ongoing agenda item. The Board reviews the Company's risk management framework, at least annually, to satisfy itself that it continues to be sound, and discloses, in relation to each reporting period, whether such a review has taken place. The Company has disclosed the fact that it does not have an internal audit function. The processes the Company employs for evaluating and continually improving the effectiveness of its risk management and internal control processes include: the review of its actual versus budget variances in revenue and expenses; and the periodic review of source accounting documentation by someone independent of the Accounts Department and independent of the regular accounting documentation approval process. The Company believes that it does not have any material exposure to economic, environmental and social sustainability risks.

Principle 8: Remunerate fairly and responsibly

The Board of the Company has a Remuneration Committee, which, during the financial year, consisted of Non-Executive Directors Messrs. Farley and Dawson, both of whom were independent Directors, including the Committee Chairman. However, the Committee did not comply with the recommendation that the Committee should have at least three members. Messrs. Farley and Dawson reviewed the remuneration of all Directors and Executives during the financial year. The Remuneration Committee has disclosed the charter of the Committee on its website, and, as at the end of each reporting period, discloses the number of times the Committee met throughout the period and the individual attendances of the members at those meetings. The Committee seeks independent external advice and market comparisons as necessary. Directors believe that the size of the Company makes individual salary negotiation more appropriate than formal remuneration policies. Indochine's Remuneration Committee determines remuneration levels on an individual basis. The Company separately discloses its policies and practices regarding the remuneration of Non-Executive Directors and the remuneration of senior executives. In accordance with Corporations Act requirements, Indochine discloses the fees or salaries paid to all Directors in its Annual Report. Non-Executive Directors are remunerated by way of fees. The Company has an equity-based remuneration scheme with a policy that does not permit participants in the scheme to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2014

CONSOLIDATED GROUP			
		2014	2013
	Note	\$	\$
Other income	2(a)	45,014	108,564
Professional fees		(181,311)	(186,935)
Insurance expenses		(36,638)	(10,714)
Employee benefits expense		(935,881)	(876,832)
Share-based payment	2(c)	(119,776)	(70,875)
Depreciation and amortisation expenses	2(b)	(191,409)	(79,812)
Travel expenses		(117,486)	(184,275)
Consultancy expenses		(753,594)	(526,162)
Lease and occupancy expenses	2(d)	(164,604)	(147,614)
Asset impairment	1(f) & 1(g)(ii)	(7,019,428)	(10,985,584)
Public relations and marketing expenses		(119,644)	(243,101)
Administration expenses		(555,498)	(662,615)
Interest on loan		(436,213)	-
Other expenses		(277,735)	(15,247)
Loss before income tax		(10,864,203)	(13,881,202)
Income tax expense	3(a)	-	-
Loss for the year		(10,864,203)	(13,881,202)
Other comprehensive income			
<i>Items that may be reclassified to profit or loss</i>			
Foreign currency translation reserve gains	17	(4,960,352)	(1,698,182)
Other comprehensive income for the period		(4,960,352)	(1,698,182)
Total comprehensive income/(loss) for the period*		(15,824,555)	(15,579,384)
Basic earnings per share (cents per share)	6	(1.15)	(1.96)
Diluted earnings per share (cents per share)	6	(1.15)	(1.95)

* There are no non-controlling interests or losses. All losses are attributable to the members of the parent.

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2014

	Note	CONSOLIDATED GROUP	
		2014	2013
		\$	\$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	7	497,078	1,756,951
Trade and other receivables	8	786,563	794,318
Term deposits	9	394,672	346,230
TOTAL CURRENT ASSETS		1,678,313	2,897,499
NON-CURRENT ASSETS			
Property, plant and equipment	10	935,977	1,686,609
Exploration and evaluation costs capitalised	11	88,889,978	82,311,680
Other financial assets	12	2,000	2,000
TOTAL NON-CURRENT ASSETS		89,827,955	84,000,289
TOTAL ASSETS		91,506,268	86,897,788
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	13	6,738,715	3,835,027
Short-term provisions	14	762,114	160,990
Borrowings	15	1,961,623	51,532
TOTAL CURRENT LIABILITIES		9,462,452	4,047,549
TOTAL LIABILITIES		9,462,452	4,047,549
NET ASSETS		82,043,816	82,850,239
EQUITY			
Issued capital	16	127,083,687	112,178,701
Accumulated losses	17(b)	(50,248,345)	(39,384,142)
Reserves	17(a)	5,208,474	10,055,680
TOTAL EQUITY		82,043,816	82,850,239

The accompanying notes form part of these financial statements.

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CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2014

	Issued Capital	Accumulated Losses	Reserves	Total Equity
	\$	\$	\$	\$
CONSOLIDATED GROUP				
Balance at 1 July 2012	80,687,017	(25,502,940)	11,547,987	66,732,064
Loss for the year	-	(13,881,202)	-	(13,881,202)
Currency translation differences	-	-	(1,698,182)	(1,698,182)
Total comprehensive income for the year	-	(13,881,202)	(1,698,182)	(15,579,384)
Share based payment	-	-	205,875	205,875
Shares issued during the year	33,916,359	-	-	33,916,359
Transaction costs	(2,424,675)	-	-	(2,424,675)
Balance at 30 June 2013	112,178,701	(39,384,142)	10,055,680	82,850,239
Balance at 1 July 2013	112,178,701	(39,384,142)	9,455,680	82,250,239
Loss for the year	-	(10,864,203)	-	(10,864,203)
Currency translation differences	-	-	(4,960,352)	(4,960,352)
Total comprehensive income for the year	-	(10,864,203)	(4,960,352)	(15,824,555)
Share based payment	-	-	713,146	713,146
Shares issued during the year	16,363,344	-	-	16,363,344
Transaction costs	(1,458,358)	-	-	(1,458,358)
Balance at 30 June 2014	127,083,687	(50,248,345)	5,208,474	82,043,816

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2014

		CONSOLIDATED GROUP	
		2014	2013
Note		\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES			
	Payments to suppliers and employees	(2,173,696)	(2,996,653)
	Interest received	44,530	78,236
	Net cash used in operating activities	<u>(2,129,166)</u>	<u>(2,918,417)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
	Purchase or property, plant and equipment	(105,726)	(200,065)
	Payments for mining interests and exploration costs	(15,103,347)	(28,532,315)
	Net cash used in investing activities	<u>(15,209,073)</u>	<u>(28,732,380)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
	Proceeds from issues of ordinary share net of transaction costs	14,595,751	31,491,684
	Proceeds from borrowings	1,493,298	51,532
	Net cash provided by financing activities	<u>16,089,049</u>	<u>31,543,216</u>
	Net decrease in cash held	(1,249,190)	(107,581)
	Cash at the beginning of the year	1,756,951	1,807,627
	Foreign exchange translation difference	(10,683)	56,905
	Cash at the end of the year	<u>497,078</u>	<u>1,756,951</u>

The accompanying notes form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2014

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

These consolidated financial statements and notes represent those of Indochine Mining Limited and Controlled Entities (the “consolidated group” or “Group”).

The separate financial statements of the parent entity, Indochine Mining Limited, have not been presented within this financial report as permitted by the *Corporations Act 2001*.

The financial report of Indochine Mining Limited for the year ended 30 June 2014 was authorised for issue in accordance with a resolution of the directors on 26 September 2014.

Indochine Mining Limited is a Company limited by shares incorporated and domiciled in Australia.

Basis of Preparation

The financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board¹ and the *Corporations Act 2001*.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in a financial report containing relevant and reliable information about transactions, events and conditions to which they apply. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards. Material accounting policies adopted in the preparation of this financial report are presented below. They have been consistently applied unless otherwise stated.

The financial report has been prepared on an accruals basis and is based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

Principles of Consolidation

The consolidated financial statements incorporate the assets, liabilities and results of entities controlled by Indochine Mining Limited at the end of the reporting period. A controlled entity is any entity over which Indochine Mining Limited has the power to govern the financial and operating policies so as to obtain benefits from its activities. Control will generally exist when the parent owns, directly or indirectly through subsidiaries, more than half of the voting power of an entity. In assessing the power to govern, the existence and effect of holdings of actual and potential voting rights are also considered.

Where controlled entities have entered or left the Group during the year, the financial performance of those entities is included only for the period of the year that they were controlled. A list of controlled entities is contained in Note 23 to the financial statements.

In preparing the consolidated financial statements, all inter-group balances and transactions between entities in the consolidated group have been eliminated on consolidation. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with those adopted by the parent entity.

Non-controlling interests, being the equity in a subsidiary not attributable, directly or indirectly, to a parent, are shown separately within the equity section of the consolidated statement of financial position and statement of comprehensive income. The non-controlling interests in the net assets comprise their interests at the date of the original business combination and their share of changes in equity since that date.

Business Combinations

Business combinations occur where an acquirer obtains control over one or more businesses and results in the consolidation of its assets and liabilities.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

A business combination is accounted for by applying the acquisition method, unless it is a combination involving entities or businesses under common control. The acquisition method requires that for each business combination, one of the combining entities must be identified as the acquirer (ie parent entity). The business combination will be accounted for as at the acquisition date, which is the date that control over the acquiree is obtained by the parent entity. At this date, the parent shall recognise, in the consolidated accounts and subject to certain limited exceptions, the fair value of the identifiable assets acquired and liabilities assumed. In addition, contingent liabilities of the acquiree will be recognised where a present obligation has been incurred and its fair value can be reliably measured.

The acquisition may result in the recognition of goodwill or a gain from a bargain purchase. The method adopted for the measurement of goodwill will impact on the measurement of any non-controlling interest to be recognised in the acquiree where less than 100% ownership interest is held in the acquirer.

The acquisition date fair value of the consideration transferred for a business combination plus the acquisition date fair value of any previously held equity interest shall form the cost of the investment in the separate financial statements. Consideration may comprise the sum of the assets transferred by the acquirer, liabilities incurred by the acquirer to the former owners of the acquiree and the equity interests issued by the acquirer.

Fair value uplifts in the value of pre-existing equity holdings are taken to the statement of comprehensive income. Where changes in the value of such equity holdings had previously been recognised in other comprehensive income, such amounts are recycled to profit or loss.

Included in the measurement of consideration transferred is any asset or liability resulting from a contingent consideration arrangement. Any obligation incurred relating to contingent consideration is classified as either a financial liability or equity instrument, depending on the nature of the arrangement. Rights to refunds of consideration previously paid are recognised as receivables. Subsequent to initial recognition, contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity. Contingent consideration classified as an asset or a liability is remeasured each reporting period to fair value through the statement of comprehensive income, unless the change in value can be identified as existing at acquisition date.

All transaction costs incurred in relation to the business combination are expensed to the statement of comprehensive income.

Accounting Policies

a. Income Tax

The income tax expense (revenue) for the year comprises current income tax expense (income) and deferred tax expense (income).

Current income tax expense charged to the profit or loss is the tax payable on taxable income calculated using applicable income tax rates enacted, or substantially enacted, as at reporting date. Current tax liabilities (assets) are therefore measured at the amounts expected to be paid to (recovered from) the relevant taxation authority.

Deferred income tax expense reflects movements in deferred tax asset and deferred tax liability balances during the year as well as unused tax losses.

Current and deferred income tax expense (income) is charged or credited outside profit or loss when the tax relates to items that are recognised outside profit or loss.

Deferred tax assets and liabilities are ascertained based on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets also result where amounts have been fully expensed but future tax deductions are available. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates enacted or substantively enacted at the end of the reporting period. Their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised.

Where temporary differences exist in relation to investments in subsidiaries, branches, associates and joint ventures, deferred tax assets and liabilities are not recognised where the timing of the reversal of the temporary difference can be controlled and it is not probable that the reversal will occur in the foreseeable future.

Current tax assets and liabilities are offset where a legally enforceable right of offset exists and it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur. Deferred tax assets and liabilities are offset where a legally enforceable right of set-off exists, the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities, where it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur in future periods in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.

b. Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Tax Office. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

Cash flows are presented in the statement of cash flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

c. Property, Plant and Equipment

Each class of property, plant and equipment is carried at cost or fair value as indicated less, where applicable, any accumulated depreciation and impairment losses.

Plant and Equipment

Plant and equipment are measured on the cost basis less depreciation and impairment losses.

The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the assets' employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

The cost of fixed assets constructed within the consolidated group includes the cost of materials, direct labour, borrowing costs and an appropriate proportion of fixed and variable overheads.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the statement of comprehensive income during the financial period in which they are incurred.

Depreciation

The depreciable amount of all fixed assets including buildings and capitalised lease assets, but excluding freehold land, is depreciated on a straight-line basis over the asset's useful life to the consolidated group commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

The depreciation rates used for each class of depreciable assets are:

Class of Fixed Asset	Depreciation Rate
Computer Equipment	10% - 33%
Furniture and Fittings	5% - 15%
Improvements	5% - 10%
Equipment	5% - 33%
Motor Vehicles	6.67% - 15%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are included in the statement of comprehensive income. When revalue assets are sold, amounts included in the revaluation surplus relating to that asset are transferred to retained earnings.

d. Exploration and Evaluation Expenditure

Exploration, evaluation and development expenditure incurred are capitalised in respect of each identifiable area of interest. These costs are only capitalised to the extent that they are expected to be recovered through the successful development of the area or where activities in the area have not yet reached a stage that permits reasonable assessment of the existence of economically recoverable reserves.

Accumulated costs in relation to an abandoned area are written off in full against profit in the year in which the decision to abandon the area is made. Exploration expenditure in the Statement of Financial Position is shown net of asset write offs.

When production commences, the accumulated costs for the relevant area of interest are amortised over the life of the area according to the rate of depletion of the economically recoverable reserves.

A regular review is undertaken of each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest.

Costs of site restoration are provided over the life of the facility from when exploration commences and are included in the costs of that stage. Site restoration costs include the dismantling and removal of mining plant, equipment and building structures, waste removal, and rehabilitation of the site in accordance with clauses of the mining permits. Such costs have been determined using estimates of future costs, current legal requirements and technology on an undiscounted basis.

Any changes in the estimates for the costs are accounted on a prospective basis. In determining the costs of site restoration, there is uncertainty regarding the nature and extent of the restoration due to community expectations and future legislation. Accordingly the costs have been determined on the basis that the restoration will be completed within one year of abandoning the site.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)**e. Financial Instruments*****Recognition and Initial Measurement***

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions of the instrument. For financial assets, this is equivalent to the date that the company commits itself to either the purchase or sale of the asset (ie trade date accounting is adopted).

Financial instruments are initially measured at fair value plus transactions costs, except where the instrument is classified “at fair value through profit or loss”, in which case transaction costs are expected to profit or loss immediately.

Derecognition

Financial assets are derecognised where the contractual rights to receipt of cash flows expire or the asset is transferred to another party whereby the entity is no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised where the related obligations are either discharged, cancelled or expire. The difference between the carrying value of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed is recognised in profit or loss.

Classification and Subsequent Measurement

Finance instruments are subsequently measured at fair value, amortised cost using the effective interest rate method, or cost.

Amortised cost is the amount at which the financial asset or financial liability is measured at initial recognition less principal repayments and any reduction for impairment, and adjusted for any cumulative amortisation of the difference between that initial amount and the maturity amount calculated using the *effective interest method*.

Fair value is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine the fair value for all unlisted securities, including recent arm’s length transactions, reference to similar instruments and option pricing models.

The *effective interest method* is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) through the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability.

Revisions to expected future net cash flows will necessitate an adjustment to the carrying value with a consequential recognition of an income or expense item in profit or loss.

The Group does not designate any interests in subsidiaries, associates or joint venture entities as being subject to the requirements of Accounting Standards specifically applicable to financial instruments.

(i) *Financial assets at fair value through profit or loss*

Financial assets are classified at ‘fair value through profit or loss’ when they are either held for trading for the purpose of short-term profit taking, derivatives not held for hedging purposes, or when they are designated as such to avoid an accounting mismatch or to enable performance evaluation where a group of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy. Such assets are subsequently measured at fair value with changes in carrying value being included in profit or loss.

(ii) *Loans and receivables*

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost.

Loans and receivables are included in current assets, where they are expected to mature within 12 months after the end of the reporting period.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(iii) *Held-to-maturity investments*

Held-to-maturity investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments, and it is the Group's intention to hold these investments to maturity. They are subsequently measured at amortised cost.

Held-to-maturity investments are included in non-current assets, where they are expected to mature within 12 months after the end of the reporting period. All other investments are classified as current assets.

(iv) *Available-for-sale financial assets*

Available-for-sale financial assets are non-derivative financial assets that are either not capable of being classified into other categories of financial assets due to their nature or they are designated as such by management. They comprise investments in the equity of other entities where there is neither a fixed maturity nor fixed or determinable payments.

They are subsequently measured at fair value with changes in such fair value (ie gains or losses) recognised in other comprehensive income (except for impairment losses and foreign exchange gains and losses). When the financial asset is derecognised, the cumulative gain or loss pertaining to that asset previously recognised in other comprehensive income is reclassified into profit or loss.

Available-for-sale financial assets are included in non-current assets where they are expected to be sold within 12 months after the end of the reporting period. All other financial assets are classified as current assets.

(v) *Financial liabilities*

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost.

Impairment

At the end of the reporting period, the Group assesses whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments, a prolonged decline in the value of the instrument is considered to determine whether an impairment has arisen. Impairment losses are recognised in the statement of comprehensive income. Also, any cumulative decline in fair value previously recognised in other comprehensive income is reclassified to profit or loss at this point.

Financial Guarantees

Where material, financial guarantees issued, which require the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due, are recognised as a financial liability at fair value on initial recognition. The guarantee is subsequently measured at the higher of the best estimate of the obligation and the amount initially recognised less, when appropriate, cumulative amortisation in accordance with AASB 118 Revenue. Where the entity gives guarantees in exchange for a fee, revenue is recognised under AASB 118.

The fair value of financial guarantee contracts has been assessed using the probability weighted discounted cash flow approach. The probability has been based on:

- the likelihood of the guaranteed party defaulting in a year's period;
- the proportion of the exposure that is not expected to be recovered due to the guaranteed party defaulting; and
- the maximum loss exposed if the guaranteed party were to default.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)**Derecognition**

Financial assets are derecognised where the contractual rights to receipt of cash flows expire or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised where the related obligations are discharged, cancelled or expired. The difference between the carrying value of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.

f. Impairment of Assets

At the end of each reporting period, the Group assesses whether there is any indication that an asset may be impaired. The assessment will include considering external sources of information and internal sources of information including dividends received from subsidiaries, associates or jointly controlled entities deemed to be out of pre-acquisition profits. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is recognised immediately in profit or loss, unless the asset is carried at a revalued amount in accordance with another Standard (e.g. in accordance with the revaluation model in AASB 116). Any impairment loss of a revalued asset is treated as a revaluation decrease in accordance with that other Standard.

Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Impairment testing is performed annually for goodwill and intangible assets with indefinite lives.

g. Foreign Currency Transactions and Balances**(i) Functional and Presentation Currency**

The functional currency of each group entity is measured using the currency of the primary economic environment in which that entity operates. The consolidated financial statements are presented in Australian dollars which is the parent entity's functional and presentation currency.

(ii) Transaction and Balances

Foreign currency transactions are translated into functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated at the year-end exchange rate. Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction. Non-monetary items measured at fair value are reported at the exchange rate at the date when fair values were determined.

Exchange differences arising on the translation of monetary items are recognised in the statement of comprehensive income, except where deferred in equity as a qualifying cash flow or net investment hedge.

Exchange difference arising on the translation of non-monetary items are recognised directly in equity to the extent that the gain or loss is directly recognised in equity, otherwise the exchange difference is recognised in the statement of comprehensive income.

(i) Group companies

The financial results and position of foreign operations whose functional currency is different from the Group's presentation currency are translated as follows:

- Assets and liabilities are translated at year-end exchange rates prevailing at that reporting date.
- Income and expenses are translated at average exchange rates for the period.
- Retained earnings are translated at the exchange rates prevailing at the date of the transaction.

The translation of foreign operations in the year under review resulted in a loss of \$8,684,955 mainly in relation to the strengthening of the Australian Dollar against the Papua New Guinea Kina.

Exchange differences arising on translation of foreign operations are transferred directly to the Group's foreign currency translation reserve in the statement of financial position. These differences are recognised in the statement of comprehensive income in the period in which the operation is disposed.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

h. Employee Benefits

Provision is made for the Company's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits. In determining the liability, consideration is given to employee wage increases and the probability that the employee may not satisfy vesting requirements. Those cash flows are discounted using market yields on national government bonds with terms to maturity that match the expected timing of cash flows.

i. Provisions

Provisions are recognised when the Group has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

Provisions are measured using the best estimate of the amounts required to settle the obligation at the end of the reporting period.

j. Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the statement of financial position.

k. Revenue and Other Income

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured

Interest revenue is recognised using the effective interest rate method, which for floating rate financial assets is the rate inherent in the instrument. Dividend revenue is recognised when the right to receive a dividend has been established.

All revenue is stated net of the amount of goods and services tax (GST).

l. Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of assets that necessarily take a substantial period of time to prepare for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognised in income in the period in which they are incurred.

m. Trade and Other Payables

Trade and other payables represent the liability outstanding at the end of the reporting period for goods and services received by the Group during the reporting period, which remain unpaid. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)**n. Equity-Settled Compensation**

The Group operates equity-settled share-based payment employee share and option schemes. The fair value of the equity to which employees become entitled is measured at grant date and recognised as an expense over the vesting period, with a corresponding increase to an equity account. The fair value of shares is ascertained as the market bid price. The fair value of options is ascertained using a Black-Scholes pricing model which incorporates all market vesting conditions. The number of shares and options expected to vest is reviewed and adjusted at the end of each reporting date such that the amount recognised for services received as consideration for the equity instruments granted shall be based on the number of equity instruments that eventually vest.

o. Comparative Figures

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

p. Fair Value of Assets and Liabilities

The Group measures some of its assets and liabilities at fair value on either a recurring or non-recurring basis, depending on the requirements of the applicable Accounting Standard.

Fair value is the price the Group would receive to sell an asset or would have to pay to transfer a liability in an orderly (ie unforced) transaction between independent, knowledgeable and willing market participants at the measurement date.

As fair value is a market-based measure, the closest equivalent observable market pricing information is used to determine fair value. Adjustments to market values may be made having regard to the characteristics of the specific asset or liability. The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data.

To the extent possible, market information is extracted from either the principal market for the asset or liability (ie the market with the greatest volume and level of activity for the asset or liability) or, in the absence of such a market, the most advantageous market available to the entity at the end of the reporting period (ie the market that maximises the receipts from the sale of the asset or minimises the payments made to transfer the liability, after taking into account transaction costs and transport costs).

For non-financial assets, the fair value measurement also takes into account a market participant's ability to use the asset in its highest and best use or to sell it to another market participant that would use the asset in its highest and best use.

The fair value of liabilities and the entity's own equity instruments (excluding those related to share-based payment arrangements) may be valued, where there is no observable market price in relation to the transfer of such financial instrument, by reference to observable market information where such instruments are held as assets. Where this information is not available, other valuation techniques are adopted and, where significant, are detailed in the respective note to the financial statements.

q. Critical Accounting Estimates and Judgements

The directors evaluate estimates and judgements incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the company.

Key Estimates**Exploration and Evaluation Expenditure**

Judgement is applied by management in determining when a project has reached a stage at which economically recoverable reserves exist and that development may be sanctioned. Management is required to make certain estimates and assumptions similar to those described above for capitalised exploration and evaluation expenditure. Judgement is also applied by management in determining which costs are directly attributable to the exploration assets. Critical estimates are made in respect of the percentage time that management and other employees spend in the development of the various assets. While management used their best judgement in this regard, there remains a degree of estimation uncertainty surrounding the allocation of costs to the various assets.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Key Judgements

(i) Exploration and Evaluation Expenditure

The Group capitalises expenditure relating to exploration and evaluation where it is considered likely to be recoverable or where the activities have not reached a stage that permits a reasonable assessment of the existence of reserves. There is significant judgement required on the part of the Management and the Board in determining whether exploration assets are impaired. To this extent they have considered the exploration activities, the current market conditions, the political climate in the jurisdiction in which the assets exists, as well as numerous other factors when determining asset impairments.

(ii) Carrying Value of Cambodian Assets

The licences in respect of the Cambodian operations comprise several licences across a large geographic area. These licences expired on 7 July 2013. Applications to extend the licences were lodged prior to expiry for third renewal, which is solely at the discretion of the Cambodian government. The Company has now been advised that the extension will not be granted. Management has therefore determined that all of these licences to be treated as “abandoned areas” or impairments as contemplated in note 1 (d) above. The costs of acquiring the licences as well as all subsequent costs have been ascribed are considered impairment expenses for expired licences.

(iii) Expiry of Licences

The Group has a significant portion of its mining licences in Cambodia that expired on 7 July 2013 as stated in Note 1 (q) (ii) above. As stated above, the Minister has not granted the extension of the licenses consequently, Management and the Board decided to impair the Cambodian asset.

In respect to the Mt Kare EL 1093 Management and the Board are confident that the license will be renewed in the ordinary course of operations, and consequently, no impairment has been raised in respect of this asset

(iv) Legal Proceedings

A former employee of Indochine Resources Pty Limited, who was dismissed for cause over four years ago, has initiated legal proceedings against the Indochine Resources Pty Limited, a wholly owned subsidiary of Indochine Mining Limited. The Company is being advised and represented by an accredited employment law specialist.

The Company considers that summary dismissal of the employee for cause in all the circumstances was justified and according to law. Based on the application of the relevant legal principles the Board considers that prospects of the former employee succeeding should be considered remote. The proceedings also includes claims for back pay and leave entitlements unrelated to the termination case. These claims are also unsupported, in fact contradicted by independent evidence and Company records. The prospect of success, of this element of the proceeding, given the known facts at this time, is also considered to be highly remote.

r. Going Concern

The financial statements have been prepared on the going concern basis, which contemplates continuity of normal business activities and the realisation of assets and discharge of liabilities in the normal course of business.

As disclosed in the financial statements, the parent company and consolidated entity incurred losses of \$16,947,022 and \$10,864,203 respectively and the consolidated entity had net cash outflows from operating activities of \$2,129,166 and net cash outflows from investing activities of \$15,209,073 for the year ended 30 June 2014. As at that date the consolidated entity had net current liabilities of \$7,784,139, cash at bank of \$497,078, and net assets of \$82,043,816.

The ability of the company and consolidated entity to continue as going concerns is dependent on a number of factors, the most significant of which is continued support of its creditors and the ability to source sufficient capital to repay existing creditors and fund its future exploration and operational activities.

These factors indicate significant uncertainty as to whether the company and consolidated entity will continue as going concerns and therefore whether they will realise their assets and extinguish their liabilities in the normal course of business and at the amounts stated in the financial report.

The Directors believe that it is reasonably foreseeable that the company and consolidated entity will continue as going concerns and that it is appropriate to adopt the going concern basis in the preparation of the financial report after consideration of the following factors.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

- On 12 September 2014 Indochine Mining Limited (IDC) completed a capital raising of \$3,541,440 via a private placement of 110,670,000 new IDC shares at 3.2 cents per share, with existing and new sophisticated and professional investors. The placement includes 1 free attaching unlisted 2 year option, for every 2 shares issued in the placement with an exercise price of \$0.07 cents. The issue of options is subject to shareholder approval.
- The Company has recently refreshed its share placement capacity and obtained approval for placement of additional 200,000,000 shares. The total placement capacity currently available is 348,000,000 shares. In addition the Company has the ability to hold an Extraordinary General Meeting to seek further approval from shareholders to place shares or consider a rights issue. The Company is also currently in discussions with major creditors to take shares in lieu of cash.
- The Company and consolidated entity has applied for an extension of the EL 1093 for the Mt Kare Gold Silver Project and anticipates to spend PGK 40,000,000 over 2 years. The Company has the ability to scale back this expenditure, should it be necessary.
- The Company and consolidated entity retain the ability, if required, to wholly or in part dispose of interests in mineral exploration and development assets.

Accordingly, the Directors believe that the company and consolidated entity will be able to continue as going concerns and that it is appropriate to adopt the going concern basis in the preparation of the financial report.

The financial report does not include any adjustments relating to the amounts or classification of recorded assets or liabilities that might be necessary if the company and consolidated entity do not continue as going concerns.

Reference	Title	Summary	Application date (financial years beginning)	Expected Impact
AASB 9	<i>Financial Instruments</i>	Replaces the requirements of AASB 139 for the classification and measurement of financial assets. This is the result of the first part of Phase 1 of the IASB's project to replace IAS 39.	1 January 2015	Unlikely to be significant
2009-11	<i>Amendments to Australian Accounting Standards arising from AASB 9</i>	Amends AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 121, 127, 128, 131, 132, 136, 139, 1023 and 1038 and Interpretations 10 and 12 as a result of the issuance of AASB 9.	1 January 2015	Unlikely to be significant
2010-7	<i>Amendments to Australian Accounting Standards arising from AASB 9 (December 2010)</i>	Amends AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 120, 121, 127, 128, 131, 132, 136, 137, 139, 1023 & 1038 and Interpretations 2, 5, 10, 12, 19 and 127 for amendments to AASB 9 in December 2010	1 January 2015	Unlikely to be significant
2011-10	<i>Amendments to Australian Accounting Standards arising from AASB 119</i>	Amends AASB 1, 8, 101, 124, 134, 1049, 2011-8 and Interpretation 14 as a result of the issuance of AASB 119 Employee Benefits.	1 January 2013	Unlikely to be significant

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

s. New Accounting Standard for Application in Future Periods

Reference	Title	Summary	Application date (financial years beginning)	Expected Impact
2012-2	<i>Amendments to Australian Accounting Standards – Disclosures – Offsetting Financial Assets and Financial Liabilities</i>	This Standard amends the required disclosures in AASB 7 to include information that will enable users of an entity's financial statements to evaluate the (potential) effect of netting arrangements. It also amends AASB 132 to refer to the additional disclosures added to AASB 7 by this Standard.	1 January 2013	Unlikely to be significant
2012-3	<i>Amendments to Australian Accounting Standards – Offsetting Financial Assets and Financial Liabilities</i>	This Standard adds application guidance to AASB 132 to address inconsistencies identified in applying some of the offsetting criteria of AASB 132.	1 January 2014	Unlikely to be significant
2012-6	<i>Amendments to Australian Accounting Standards – Mandatory Effective Date of AASB 9 and Transition Disclosures</i>	This Standard amends the mandatory effective date of AASB 9 Financial Instruments so that AASB 9 is required to be applied for annual reporting periods beginning on or after 1 January 2015 instead of 1 January 2013.	1 January 2015	No Impact

t. New and Amended Accounting Policies Adopted by the Group

Consolidated financial statements

The Group adopted the following Australian Accounting Standards, together with the relevant consequential amendments arising from related Amending Standards, from the mandatory application date of 1 January 2013:

- AASB 10: Consolidated Financial Statements;
- AASB 12: Disclosure of Interests in Other Entities; and
- AASB 127: Separate Financial Statements.

AASB 10 provides a revised definition of “control” and may result in an entity having to consolidate an investee that was not previously consolidated and/or deconsolidate an investee that was consolidated under the previous accounting pronouncements.

The Group has applied these Accounting Standards with retrospective effect in accordance with their transitional requirements. The Group has:

- presented quantitative information of the comparative period reflecting the adoption of AASB 10; and
- with respect to any previously unconsolidated investee that is a business, measured the assets, liabilities and non-controlling interests as if the investee had been consolidated in accordance with the applicable version of AASB 3: Business Combinations from the date when the Group gained control of the investee. When the date that control was obtained was earlier than the beginning of the immediately preceding period, the Group recognises, as an adjustment to equity at the beginning of the comparative period, any difference between:
 - the amount of assets, liabilities and non-controlling interests recognised; and
 - the previous carrying amount of the Group's involvement with the investee.

The first-time application of AASB 10 resulted in the following changes to the Group's financial statements:

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Employee benefits

The Group adopted AASB 119: Employee Benefits (September 2011) and AASB 2011-10: Amendments to Australian Accounting Standards arising from AASB 119 (September 2011) from the mandatory application date of 1 January 2013. The Group has applied these Standards retrospectively in accordance with AASB 108: Accounting Policies, Changes in Accounting Estimates and Errors and the transitional provisions of AASB 119.

The adoption of these Standards will not result in any changes that will significantly impact amounts recognised in the Group's financial statements.

NOTE 2: REVENUE AND EXPENSES

	CONSOLIDATED GROUP	
	2014	2013
	\$	\$
a) Revenue and expenses from continuing operations		
Interest received	44,530	82,422
Exchange gain	484	26,142
	45,014	108,564
b) Loss before income tax includes the following specific expenses		
Depreciation and amortisation expense		
Computer equipment	14,504	15,949
Furniture and fittings	11,826	3,629
Software licenses	681	9,468
Improvements	345,500	587,192
Vehicles	44,381	24,152
Equipment	184,609	113,208
	601,501	753,598
Less amounts capitalised as exploration expenditure	(410,092)	(673,786)
	191,409	79,812
c) Share-based payment		
Employee share and option plan – option expense	713,146	205,875
Expenses capitalised	(593,370)	(135,000)
Net option expense	119,776	70,875
d) Lease rentals	164,604	147,614

NOTE 3: INCOME TAX BENEFIT

	2014	2013
	\$	\$
a. A reconciliation of income tax expense applicable to accounting loss before income tax at the statutory income tax rate to income tax expense at the company's effective income tax rate for the period ended 30 June 2014 and 30 June 2013 is as follows:		
Accounting loss before tax from continuing operations	10,864,203	13,881,202
Accounting loss before income tax	10,864,203	13,881,202
At the statutory income tax rate of 30% (2013: 30%)	(3,259,261)	(4,164,360)
Permanent differences	2,223,279	3,464,005
Movement in temporary differences not brought to account – other	24,251	231,797
Tax losses and timing differences not previously brought to account	1,011,731	468,558
Income tax expense	-	-
Effective income tax rate	0%	0%
b. Tax balances not brought to account		
Deferred tax assets (timing difference) comprises of:		
Blackhole expenditure	18,047	57,720
Provisions and others	46,491	51,631
Potential deferred tax asset (timing difference) not brought to account	64,538	109,351
Deferred tax assets (tax losses) comprise of:		
Tax losses not brought to account	14,419,961	11,204,279
Potential deferred tax asset (tax losses) not brought to account	4,325,988	3,361,284
Deferred tax liability comprise of:		
Unrealised gain or loss on disposal	42,269	93,594
Others	1,123	1,256
Potential deferred tax liability (timing difference) not brought to account	43,392	94,850

NOTE 4: KEY MANAGEMENT PERSONNEL COMPENSATION

- a) Name and position held of key management personnel in office at any time during or since the end of the financial year are:

Directors:

Hugh Thomas ⁽¹⁾
 Ian W Ross ⁽²⁾
 Gavan H Farley
 Michael Leggo ⁽³⁾
 Craig Dawson ⁽⁴⁾
 Robert Thomson ⁽⁵⁾

Management:

Stephen C Promnitz, CEO ⁽⁶⁾
 George Niumataiwalu, Country Officer PNG, and Director of Regional Projects
 Ashok Jairath, CFO

- (1) Appointed 11 April 2014, resigned 30 July 2014
 (2) Resigned 17 April 2014
 (3) Resigned 13 May 2014
 (4) Appointed 18 February 2014
 (5) Appointed 13 May 2014, resigned 30 July 2014
 (6) Resigned 30 July 2014

Key management personnel remuneration has been included in the Remuneration Report section of the Directors' Report.

	2014	2013
	\$	\$
Short-term employee benefits (Cash & Deferred)	1,524,612	1,953,152
Post-employment benefits	112,026	95,153
Share based payments	-	175,500
	1,636,638	2,223,805

- b) Share holdings

The number of shares in the Company held during the financial year by each key management personnel of Indochine Mining Limited, including their related parties are set out below.

NOTE 4: KEY MANAGEMENT PERSONNEL COMPENSATION (continued)

	Balance at 1 July 2013	Received as Compensation	Net Change	Balance at 30 June 2014
Directors:				
Hugh Thomas ⁽¹⁾	-	-	-	-
Ian W Ross ⁽²⁾	500,000	-	-	500,000
Gavan H Farley	520,000	-	-	520,000
Michael Leggo ⁽³⁾	-	-	-	-
Craig Dawson ⁽⁴⁾	-	-	-	-
Robert Thomson ⁽⁵⁾	-	-	-	-
Other key management personnel of the group:				
Stephen C Promnitz ⁽⁶⁾	1,881,667	-	-	1,881,667
George Niumataiwalu	36,666	-	-	36,666
Ashok Jairath	146,667	-	-	146,667

c) Option holdings

Number of options held by key Management personnel.

	Balance at 1 July 2013	Received as Compensation	Net Change	Balance at 30 June 2014
Directors:				
Hugh Thomas ⁽¹⁾	-	-	-	-
Ian W Ross ⁽²⁾	3,500,000	-	-	3,500,000
Gavan H Farley	2,000,000	-	-	2,000,000
Michael Leggo ⁽³⁾	-	-	-	-
Craig Dawson ⁽⁴⁾	-	-	-	-
Robert Thomson ⁽⁵⁾	-	-	-	-
Other key management personnel of the group:				
Stephen C Promnitz ⁽⁶⁾	-	7,000,000	-	7,000,000
George Niumataiwalu	4,000,000	4,000,000	-	8,000,000
Ashok Jairath	1,000,000	3,500,000	-	4,500,000

⁽¹⁾ Appointed 11 April 2014, resigned 30 July 2014⁽²⁾ Resigned 17 April 2014⁽³⁾ Resigned 13 May 2014⁽⁴⁾ Appointed 18 February 2014⁽⁵⁾ Appointed 13 May 2014, resigned 30 July 2014⁽⁶⁾ Resigned 30 July 2014

NOTE 5: AUDITOR'S REMUNERATION

	2014	2013
	\$	\$
Remuneration of the auditor of the parent entity for:		
- auditing or reviewing the financial statements	65,000	66,920
- other services	22,526	42,449
	<u>87,526</u>	<u>109,369</u>

NOTE 6: EARNINGS PER SHARE

a)	Reconciliation of earnings to loss	<u>(10,864,203)</u>	(13,881,202)
	Earnings used to calculate basic and diluted EPS	<u>(10,864,203)</u>	(13,881,202)
		No.	No.
b)	Weighted average number of ordinary shares outstanding during the year used in calculating basic EPS	943,953,727	709,840,994
	Weighted average number of options outstanding*	<u>4,113,699</u>	516,438
	Weighted average number of ordinary shares outstanding during the year used in calculating dilutive EPS	<u>948,067,426</u>	710,357,432
c)	Basic loss per share (cents per share)	(1.15)	(1.96)
	Diluted loss per share (cents per share)	(1.15)	(1.95)

*Only the options that are dilutive have been taken into account when evaluating diluted loss per share

NOTE 7: CASH AND CASH EQUIVALENTS

	2014	2013
	\$	\$
Cash at bank and on hand	497,708	1,756,951
	497,708	1,756,951

NOTE 8: TRADE AND OTHER RECEIVABLES

CURRENT

Prepayments	160,836	197,273
GST and VAT	348,801	327,430
Bank guarantees	193,878	164,768
Sundry Debtors	9,435	70,052
Deposits paid	73,613	34,795
	786,563	794,318

NOTE 9: TERM DEPOSITS

Term Deposit	394,672	346,230
	394,672	346,230

NOTE 10: PLANT AND EQUIPMENT

	2014	2013
	\$	\$
Computer equipment at cost	68,449	68,125
Accumulated depreciation	(53,483)	(38,655)
	14,966	29,470
Furniture and fittings at cost	41,111	41,621
Accumulated depreciation	(27,649)	(16,285)
	13,462	25,336
Software licenses at cost	33,694	33,694
Accumulated depreciation	(32,314)	(31,633)
	1,380	2,061
Buildings and improvements at cost	1,505,784	1,603,178
Accumulated depreciation	(903,569)	(591,968)
	602,215	1,011,210
Motor vehicles at cost	44,309	230,991
Accumulated depreciation	(44,309)	(89,459)
	-	141,532
Plant and equipment at cost	670,314	689,475
Accumulated depreciation	(366,360)	(212,475)
	303,954	477,000
Total	935,977	1,686,609

NOTE 10: PLANT AND EQUIPMENT (continued)**Movements in carrying amounts**

Movements in carrying amounts for each class of property, plant and equipment

	2014	2013
	\$	\$
Computer equipment		
Carrying value at beginning of the year	29,470	38,367
Additions	-	7,052
Accumulated depreciation	(14,504)	(15,949)
Carrying value at the end of the year	<u>14,966</u>	<u>29,470</u>
Furniture and fittings		
Carrying value at beginning of the year	25,336	35,337
Additions	-	2,374
Disposals		(12,487)
Accumulated depreciation	(11,826)	(3,629)
Foreign exchange differences	(48)	3,741
Carrying value at the end of the year	<u>13,462</u>	<u>25,336</u>
Software licenses		
Carrying value at beginning of the year	2,061	9,808
Additions	-	1,721
Accumulated depreciation	(681)	(9,468)
Carrying value at the end of the year	<u>1,380</u>	<u>2,061</u>
Building improvements		
Carrying value at beginning of the year	1,011,210	1,530,509
Additions	47,596	92,419
Disposals	-	(5,382)
Accumulated depreciation	(345,500)	(587,192)
Foreign exchange differences	(111,091)	(19,144)
Carrying value at the end of the year	<u>602,215</u>	<u>1,011,210</u>

NOTE 10: PLANT AND EQUIPMENT (continued)

	2014	2013
	\$	\$
Motor vehicles		
Carrying value at beginning of the year	141,532	199,007
Additions	-	1,183
Disposals	(91,584)	(69,302)
Accumulated depreciation	(44,382)	(24,152)
Foreign exchange differences	(5,566)	34,796
Carrying value at the end of the year	-	141,532
Plant and equipment		
Carrying value at beginning of the year	477,000	532,582
Additions	58,130	95,316
Disposals	(12,415)	(63,148)
Accumulated depreciation	(184,609)	(113,209)
Foreign exchange differences	(34,152)	25,459
Carrying value at the end of the year	303,954	477,000
Total		
Carrying value at beginning of the year	1,686,609	2,345,610
Additions	105,726	200,065
Disposals	(103,999)	(150,320)
Accumulated depreciation	(601,502)	(753,598)
Foreign exchange differences	(150,857)	44,852
Carrying value at the end of the year	935,977	1,686,609

NOTE 11: EVALUATION AND EXPLORATION COSTS CAPITALISED

	2014	2013
	\$	\$
Opening balance	82,311,680	67,409,329
Current year expenditure	17,693,582	25,662,973
Expenditure written off during the year (i)	(5,905,995)	(10,985,584)
Foreign exchange differences	(5,209,289)	224,962
Closing balance	88,889,978	82,311,680

(i) See Note 1 (q) (iii) for explanation in respect of the circumstances leading to the impairment.

The ultimate recoupment of costs carried forward for exploration and evaluation expenditure is dependent on the successful development and commercial exploitation or sale of the respective areas.

NOTE 12: OTHER FINANCIAL ASSETS

Available for sale financial asset

Listed investment	2,000	2,000
	2,000	2,000

NOTE 13: TRADE AND OTHER PAYABLES

CURRENT

Trade payables	6,381,194	3,616,317
Payroll related payables	345,041	206,230
Other payables	12,480	12,480
	6,738,715	3,835,027

NOTE 14: PROVISIONS

CURRENT

Annual leave	222,114	160,990
Other provision	540,000	-
	762,114	160,990
Opening balance	160,990	237,917
Raised during the year	962,114	160,990
Used during the year	(160,990)	(237,917)
Unused amount reversed	(200,000)	-
Closing balance	762,114	160,990

NOTE 15: BORROWINGS

	2014	2013
	\$	\$
CURRENT		
Unsecured liabilities:		
Aude Holdings Pty Ltd loan	44,831	51,532
	<u>44,831</u>	<u>51,532</u>
Secure liabilities:		
Third party loan	1,916,792	-
	<u>1,916,792</u>	<u>-</u>
Total Borrowings	<u><u>1,961,623</u></u>	<u><u>51,332</u></u>
The carrying amounts of assets pledged as security are:		
Fixed and Floating charge over assets of the Company	91,506,268	-

On 6 February 2014, the Company entered into a secured loan agreement with Aude Holdings Pty Ltd as trustees for Lastours Investment Trust to borrow \$ 1,500,000 secured against a fixed and floating charge over the assets of the Company and at an interest rate of 60% calculated daily. In the event of default, the interest would increase to 80% per annum calculated daily. The loan was repayable in full by 31 May 2014. The Company was unable to repay the loan by 31 May 2014 and as at reporting date it was in default and being charged interest at the rate of 80% from the date of default. On 14 May and 3 June 2014, the Company was served default notices

Subsequent to year end and on 6 July, the Company entered into Deed of Acknowledgement and Variation with the secured lender Aude Holdings Pty Ltd as trustees for Lastours Investment Trust under which the secured lender has waived the breaches which resulted in default notices on 14 May and 3 June 2014, reset the interest to 25% per annum, extended the expiry date to 31 December 2014 and has provided an additional facility of \$ 1.15 million.

NOTE 16: ISSUED CAPITAL

	2014	2013
	\$	\$
Ordinary shares		
1,095,830,301 (2013: 841,522,946) fully paid ordinary shares	127,083,687	112,178,701

Ordinary shares participate in dividends and the proceeds on winding up of the parent entity in proportion to the number of shares held.

At the shareholders' meetings each ordinary share is entitled to one vote when a poll is called, otherwise each shareholder has one vote on a show of hands.

Movements in ordinary shares on issue		No. of Shares	\$
	Balance at 1 July 2012	546,333,324	80,687,017
10/08/12	Placement @ \$0.12	81,949,998	9,834,000
06/11/12	Placement @ \$0.14	94,200,000	13,188,000
22/01/13	Placement @ \$0.11	64,039,624	7,044,359
17/06/13	Placement @ \$0.07	55,000,000	3,850,000
	Less transaction cost on share issue	-	(2,424,675)
	Balance at 30 June 2013	841,522,946	112,178,701
	Balance at 1 July 2013	841,522,946	112,178,701
19/08/13	Placement @ \$0.08	38,122,500	3,049,800
12/11/13	Placement @ \$0.07	85,555,025	5,988,852
31/03/14	Placement @ \$0.09	38,296,655	3,446,699
06/06/14	Placement @ \$0.042	92,333,175	3,877,993
	Less transaction cost on share issue	-	(1,458,358)
	Balance at 30 June 2014	1,095,830,501	127,083,687

NOTE 16: ISSUED CAPITAL (continued)

	Movements in options	No. of Options
	Balance at 1 July 2012	75,230,000
31/10/12	Options expired	(5,000,000)
31/10/12	Options expired	(1,080,000)
08/02/13	Options expired	(2,000,000)
02/03/13	Options expired	(400,000)
28/04/13	Options expired	(2,500,000)
28/04/13	Options expired	(7,500,000)
17/06/13	Options granted	14,500,000
	Balance as at 30 June 2013	71,250,000
	Balance at 1 July 2013	71,250,000
08/02/14	Options expired	(3,000,000)
02/03/14	Options expired	(500,000)
31/03/14	Options granted	16,500,000
30/04/14	Options expired	(5,000,000)
30/04/14	Options expired	(10,000,000)
	Balance as at 30 June 2014	69,250,000

- On 8 February 2014, 3,000,000 options granted to Empire Securities Group ATF Empire Trust at \$ 0.50 expired.
- On 2 March 2014, 500,000 options granted to Novus Capital Ltd at \$ 0.50 expired
- On 30 April 2014, 5,000,000 options granted to HSBC Custody Nominees: Maple Leaf at \$ 0.20 expired.
- On 30 April 2014, 10,000,000 options granted to Jabre Capital Partners S.A. at \$ 0.20 expired.
- On 31 March 2014, 16,500,000 options were granted to Indochine Mining Limited Employee Share and Option Plan, refer to note 24.

Each option on issue entitles the holder to purchase one share. The names of all persons who currently hold share options, granted at any time, are entered in the register kept by the Company, pursuant to Section 168 of the Corporations Act 2001, which may be inspected free of charge. Persons entitled to exercise these options have no right, by virtue of the options, to participate in any share issue by the parent entity or any other body corporate.

Capital Management

Management controls the capital of the Group in order to maintain stable cash reserves, reduce capital raising requirements, and ensure that the Group can fund its operations and continue as a going concern.

The Group's debt and capital includes ordinary share capital and current and financial liabilities. There is no non-current external debt. There are no externally imposed capital requirements.

Management effectively manages the Group's capital by assessing the Group's cash flow and capital requirements and responds to those needs. These responses include management of capital projects, acquisition of mineral licences and reduction of expenditure.

NOTE 17: RESERVES AND ACCUMULATED LOSSES

	2014	2013
	\$	\$
a) Reserves		
Share option reserve	11,183,913	10,470,767
Foreign currency translation reserve	(5,975,439)	(415,087)
Total Reserves	5,208,474	10,055,680

Movements:

Foreign currency translation reserve		
At the beginning of the year	(1,015,087)	1,283,095
Currency translation differences arising during the year	(4,960,352)	(1,698,182)
Balance at the end of the financial year	(5,975,439)	(415,087)
Share option reserve		
At the beginning of the year	10,470,767	10,264,892
Share options arising during the year	713,146	205,875
Balance at the end of the financial year	11,183,913	10,470,767

Foreign currency translation reserve

The foreign currency translation reserve records exchange differences arising on translation of a foreign controlled subsidiary.

Shared option reserve

The share option reserve is used to recognise the fair value of options issued but not exercised.

b) Accumulated Losses

Movements in accumulated losses were as follows:

Accumulated losses at the beginning of the year	(39,384,142)	(25,502,940)
Net loss attributable to members of Indochine Mining Limited	(10,864,203)	(13,881,202)
Accumulated losses at the end of the financial year	(50,248,345)	(39,384,142)

NOTE 18: PARENT ENTITY DISCLOSURES

The following information has been extracted from the books and records of the parent and has been prepared in accordance with the accounting standards.

PARENT ENTITY	2014	2013
	\$	\$
a) Financial information		
Loss for the year	16,947,022	18,369,081
Total comprehensive loss	<u>16,947,022</u>	<u>18,369,081</u>
Current assets	1,165,122	2,478,774
Non-current assets*	93,407,711	89,963,897
Total assets	<u>94,572,833</u>	<u>92,442,671</u>
Current liabilities	6,538,985	3,079,933
Non-current liabilities	-	-
Total liabilities	<u>6,538,985</u>	<u>3,079,933</u>
Net assets	<u>88,033,848</u>	<u>89,362,738</u>
Issued capital	127,083,687	112,178,701
Reserves	11,183,913	10,470,767
Accumulated losses	(50,233,752)	(33,286,730)
Total equity	<u>88,033,848</u>	<u>89,362,738</u>

*The ultimate recoupment of non-current assets is dependent on the successful development and commercial exploitation or sale of the respective areas.

NOTE 19: FINANCIAL RISK MANAGEMENT AND INSTRUMENTS

Financial assets

Cash and cash equivalents	497,078	1,756,951
Term Deposits	394,672	346,230
Available-for-sale financial assets:		
- At fair value		
- Unlisted investments	2,000	2,000
Total financial assets	<u>893,750</u>	<u>2,103,181</u>

Financial liabilities

Financial liabilities at amortised cost		
Trade and other payables	6,738,715	3,886,559
Total financial liabilities	<u>6,738,715</u>	<u>3,886,559</u>

NOTE 19: FINANCIAL RISK MANAGEMENT AND INSTRUMENTS (continued)**Financial Risk Management Policies**

The directors' overall risk management strategy seeks to assist the company in meeting its financial targets, whilst minimising potential adverse effects on financial performance. Risk management policies are approved and reviewed by the Board of Directors on a regular basis. These include the capital project management and future cash flow requirements.

Specific Financial Risk Exposures and Management

The main risks the Group is exposed to through its financial instruments are credit risk, liquidity risk and market risk relating to interest rate risk.

a) Market risk and interest rate risk**i) Foreign exchange risk**

The Group and the parent entity operate internationally and are exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the US dollar and Kina.

Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the entity's functional currency. The risk is measured using sensitivity analysis and cash flow forecasting.

The Company's functional currency is Australian dollars. The Group's Cambodia subsidiary has a functional currency of US dollars and the Group's PNG subsidiary has a functional currency of the Kina.

The Group's exposure to foreign currency risk at the end of the reporting period, expressed in Australian dollars, was as follows:

	2014	2013
	\$	\$
Cash and cash equivalent	137,419	355,844
Payable	2,516,174	1,193,540
Net exposure	<u>(2,378,755)</u>	<u>(837,696)</u>

Foreign currency sensitivity analysis

The Group is exposed to movements in US dollars and Kinas. The following table details the Group's sensitivity to a 10% increase and a 10% decrease in the Australian dollar against the relevant currencies.

	2014	2013
	\$	\$
AUD increase against USD and Kina		
Profit or loss post tax	151,375	53,309
AUD decrease against USD and Kina		
Profit or loss post tax	(185,014)	(65,154)

ii) Interest rate risk

The Group's main interest rate risk arises from cash and cash equivalents. The Group does not have any borrowings from external counterparties.

Group sensitivity

At 30 June 2012, the Group's exposure to interest rates is not deemed to be material to its primary activities and the interest is generally fixed.

NOTE 19: FINANCIAL RISK MANAGEMENT AND INSTRUMENTS (continued)

b) Credit risk

Given the group does not hold trade debtors they are not exposed to credit risk. All cash reserves are invested with one of Australia's big four banks.

c) Liquidity risk

Liquidity risk arises from the possibility that the Group might encounter difficulty in settling its debts or otherwise meeting its obligations related to financial liabilities. The Group manages this risk through the following mechanisms:

- preparing forward-looking cash flow analysis in relation to its operational, investing and financing activities;
- obtaining funding from shareholders;
- maintaining a reputable credit profile;
- managing credit risk related to financial assets; and
- managing the company's exploration spend and capital projects.

The tables below reflect an undiscounted contractual maturity analysis for financial liabilities. Cash flows realised from financial assets reflect management's expectation as to the timing of realisation. Actual timing may therefore differ from that disclosed.

Financial liability and financial asset maturity analysis

Consolidated Group	Within 1 Year		Total	
	2014	2013	2014	2013
	\$	\$	\$	\$
Financial liabilities due for payment				
Trade and other payables (excluding est. annual leave)	6,738,715	3,835,027	6,738,715	3,835,027
Borrowings	1,961,623	51,532	1,961,623	51,532
Total expected outflows	8,700,338	3,886,559	8,700,338	3,886,559
Financial assets — cash flows realisable				
Trade and other receivables	786,563	1,140,548	786,563	1,140,548
Term Deposits	394,672	346,230		
Cash and cash equivalents	497,078	1,756,951	497,078	1,756,951
Total expected inflows	1,6,78,313	3,243,729	1,283,641	2,897,499
Net (outflow)/inflow on financial instruments	(7,022,025)	(642,830)	(7,416,697)	(989,060)

NOTE 20: CASH FLOW INFORMATION

	2014	2013
	\$	\$
Reconciliation of cash flow from operations with loss after income tax		
Loss after income tax	(10,864,203)	(13,881,202)
Non-cash flows in profit		
Depreciation	191,409	79,812
Net loss on disposal of plant and equipment	63,625	60,761
Impairment of non-current assets	5,905,995	11,166,948
Foreign exchange	(2,329,291)	1,426,421
Share option expense	713,146	205,875
Share issued for services rendered	309,235	-
Accrued interest	416,793	-
Changes in assets and liabilities		
(Increase)/decrease in trade and other receivables	(40,687)	(499,774)
Decrease in trade and other creditors	2,903,688	(1,348,800)
(Decrease)/increase in provisions	601,124	(76,926)
Net cash flow used in operating activities	(2,129,166)	(2,866,885)

NOTE 21: RELATED PARTY TRANSACTIONS**a. The Group's main related parties are as follows:**

i. Entities exercising control over the Group:

The ultimate parent entity, which exercises control over the Group, is Indochine Mining Limited, which is incorporated in Australia.

ii. Key management personnel:

Any person(s) having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity, are considered key management personnel.

For details of disclosures relating to key management personnel, refer to Note 4: Key Management Personnel Compensation.

iii. Entities subject to significant influence by the Group:

An entity which has the power to participate in the financial and operating policy decisions of an entity, but does not have control over those policies, is an entity which holds significant influence. Significant influence may be gained by share ownership, statute or agreement.

For details of interests held in associated companies, refer to Note 21: Controlled Entities.

iv. Other related parties:

Other related parties include entities controlled by the ultimate parent entity and entities over which key management personnel exercise significant influence.

NOTE 21: RELATED PARTY TRANSACTIONS (continued)

b. Transactions with related parties:

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

The following transactions occurred with related parties:

i. Key management personnel:

	2014	2013
	\$	\$
Consultancy fees		
Ian Ross	-	35,200
Gavan Farley	-	20,587

Sydney based directors were engaged for consulting on a daily rate basis throughout the year over and above their non - executive roles.

c. Amounts outstanding from related parties:

i. Loans to ultimate parent entity:

Beginning of the year	1,190,036	1,196,332
Loan repayment received	(2,153)	(6,296)
End of the year	1,187,883	1,190,036

ii. Loans to subsidiaries:

Beginning of the year	64,872,202	35,490,002
Loans advanced	15,413,712	29,382,200
End of the year	80,285,914	64,872,202

iii. Doubtful debts

Beginning of the year	3,828,397	3,828,397
End of year	3,828,397	3,828,397

NOTE 21: RELATED PARTY TRANSACTIONS (continued)

	2014	2013
	\$	\$
d. Amounts payable to related parties:		
i. Loans from the parent entity:		
Beginning of the year	57,754,875	29,000,997
Loans advanced	15,577,143	28,753,878
Loan repayment received	-	-
End of the year	<u>73,332,018</u>	<u>57,754,875</u>
ii. Loans from subsidiaries :		
Beginning of the year	8,307,363	7,685,338
Loans advanced	(165,584)	621,912
Loan repayment received	-	113
End of the year	<u>8,141,779</u>	<u>8,307,363</u>

NOTE 22: SEGMENT REPORTING

During the year the Group operated predominantly in one business segment, being gold and silver mining exploration. Geographically the Group operates exclusively in one geographical segment being Asia Pacific with an office maintained in Australia. Segment results are classified in accordance with their use within geographic segments.

	Australia	Cambodia	Papua New Guinea	Total
2014	\$	\$	\$	\$
Revenue				
Interest income	45,014	-	-	45,014
Total segment revenue	45,014	-	-	45,014
Results				
Operating loss before income tax	3,207,519	7,656,684	-	10,864,203
Income tax expense	-	-	-	-
Net loss	3,207,519	7,656,684	-	10,864,203
Included within segment results	3,207,519	7,656,684	-	10,864,203
Depreciation and amortization of segment assets	22,612	168,797	-	191,409
Segment assets	1,425,986	142,643	89,937,639	91,506,268
Segment liabilities	4,157,868	1,388,945	3,915,639	9,462,452
2013				
	\$	\$	\$	\$
Revenue				
Interest income	108,564	-	-	108,564
Total segment revenue	108,564	-	-	108,564
Results				
Operating loss before income tax	2,369,336	11,511,555	311	13,881,202
Income tax expense	-	-	-	-
Net loss	2,369,336	11,511,555	311	13,881,202
Included within segment results	2,369,336	11,511,555	311	13,881,202
Depreciation and amortization of segment assets	33,699	46,113	-	79,812
Segment assets	2,771,135	6,113,974	80,012,679	86,897,788
Segment liabilities	888,558	489,451	2,669,540	4,047,549

NOTE 23: CONTROLLED ENTITIES

	Country of Incorporation	Percentage Owned	
		2014	2013
Subsidiaries of Indochine Mining Limited:			
Indochine Resources Limited	Australia	100%	100%
Indochine Resources (Cambodia) Limited	Cambodia	100%	100%
Asia Pacific Gold & Copper Company Limited	Australia	100%	100%
Asia Pacific Gold & Copper (Cambodia) Limited	Cambodia	100%	100%
Aries Mining Limited	Australia	100%	100%
Summit Development Ltd	Papua New Guinea	100%	100%
Positive Developments Limited	Papua New Guinea	100%	-

NOTE 24: COMMITMENTS AND CONTINGENCIES

	2014	2013
	\$	\$
Operating lease commitments		
- not later than 12 months	145,659	261,829
- between 12 months and five years	151,485	297,144
	297,144	558,973

Summit Development Limited, a wholly owned subsidiary of the Indochine Group, is required to pay compensation to the landowners of Exploration Licence "EL1093" in Papua New Guinea ("PNG") as a result of the impact of exploration, damage to land from construction of drilling pads and the associated degradation to the vegetation etc. The amount of compensation payable is determined with reference to the PNG Mining Act which specifies the level of compensation for the various types of damages. In order for Summit to accurately determine the genuine landowners who would be entitled to compensation, the Company would need to complete the Landowner Investigation Report. Once this report is accepted by all the landowner groups, the Lands Department, and the Mines Department, Summit will be in a position to accurately quantify and disburse the compensation to the rightful landowners. A detailed record of the impact of exploration, potential compensation and the resulting liability is maintained at the PNG exploration site. Management and the Board are of the opinion that the maximum potential liability for exploration work undertaken to date is not material.

Legal Proceedings

A former employee of Indochine Resources Pty Limited, who was dismissed for dishonesty over four years ago, has initiated legal proceedings against the Indochine Resources Pty Limited, a wholly owned subsidiary of Indochine Mining Limited. The Company is being advised and represented by an accredited employment law specialist.

The Company considers that summary dismissal of the employee for cause in all the circumstances was justified and according to law. Based on the application of the relevant legal principles the Board considers that prospects of the former employee succeeding should be considered remote. The proceedings also includes claims for back pay and leave entitlements unrelated to the termination case. These claims are also unsupported, in fact contradicted by independent evidence and Company records. The prospect of success, of this element of the proceeding, given the known facts at this time, is also considered to be highly remote.

NOTE 25: SUBSEQUENT EVENTS

- On 6 July, the Company entered into Deed of Acknowledgement and Variation with the secured lender Aude Holdings Pty Ltd as trustees for Lastours Trust under which the secured lender has waived the breaches which resulted in default notices on 14 May and 3 June 2014, reset the interest to 25% per annum, extended the expiry date to 31 December 2014 and has provided an additional facility of \$ 1.15 million. To date the Company has drawn down \$ 865,000 from the additional facility.
- The current exploration licence EL 1093 for the Mt Kare Gold Project expired on 28 August 2014. However, under the PNG Mining Act 1992 section 112, the tenement continues in force until the renewal application has been determined. The Company has applied the renewal of the license
- On 12 September 2014, Indochine Mining Limited completed a capital raising of \$ 3,541,440 at \$0.032 per share, via private placement with new and existing sophisticated and professional investors (before costs). The placement includes 1 free attaching unlisted 2 year option, for every 2 shares issued in the placement with an exercise price of \$0.07 cents. The issue of options is subject to shareholder approval

NOTE 26: SHARE-BASED PAYMENT

a) Employee Share and Option Plan

The Indochine Mining Limited Employee Share and Option Plan is designed to provide long term incentives for executives (including Executive Directors) and senior employees to deliver long term shareholder returns. Participation in the plan is at the Board's discretion and no individual has a contractual right to participate in the plan or to receive any guaranteed benefits.

On 31 March 2014, 16,500,000 staff performance options were issued through the Option Share Trust (OST), at zero exercise price, exercisable upon reaching certain performance targets on or before 31 March 2019. Participation in the OST is by way of unit holding in a trust (share units). One share units represents on share option. The Share units in the OST are issued for a consideration equal to the value if the options allocated for the benefit of the employee. The options are issued for consideration equivalent to their valuation.

Shares or options under the plan granted during the financial year is as follows:

	Number	Weighted Average exercise price
Options outstanding as at 30 June 2012	-	-
Granted	14,500,000	0
Forfeited	-	-
Exercised	-	-
Expired	-	-
Options outstanding as at 30 June 2013	14,500,000	0
Options outstanding as at 30 June 2013	14,500,000	0
Granted	16,500,000	0
Forfeited	-	-
Exercised	-	-
Expired	-	-
Options outstanding as at 30 June 2014	31,000,000	0
Options exercisable as at 30 June 2014	1,525,000	0

NOTE 26: SHARE-BASED PAYMENT (continued)

The current value of options over shares in IDC is based on share price of IDC as at the date set out in the offer, calculated by reference to the Black Scholes option pricing model applying the following inputs:

Exercise price: 0 cents

Life of option: 5 years

Price of underlying shares at measurement date: 7.70 cents

Risk free rate: 3.44%

Expected volatility: 77.87%

b) Expenses arising from sharebased payment transactions:

	2014	2013
	\$	\$
Employee share and option plan	713,146	205,875
Expenses capitalised	(593,370)	(135,000)
Net option expense	<u>119,776</u>	<u>70,875</u>

NOTE 27: PRIOR PERIOD ADJUSTMENT

The Company has restated the prior period by correcting the foreign exchange impact on the Exploration and Evaluation Costs Capitalised resulting from the difference in the exchange rates used at the year end. The exchange rate originally used was PGK/A\$ 0.5030 instead of 0.4754.

	30 June 2013 \$'000	Change \$'000	30 June 2013 (restated) \$'000
Balance sheet (extract)			
Exploration and evaluation cost capitalised	85,436,283	(3,124,603)	82,311,680
Foreign Exchange Reserve	13,180,283	(3,124,603)	10,055,680

The prior period adjustment has had no impact on the consolidated statement of financial position.

NOTE 28: COMPANY DETAILS

The registered office and principal place of business of the Company is:

Indochine Mining Limited

Level 1, 26 Clive Street

Perth, WA 6005

DIRECTORS' DECLARATION

The directors of the Company declare that:

1. The financial statements and notes, as set out on pages 19 to 59, are in accordance with the *Corporations Act 2001* and:
 - a. comply with Accounting Standards and the Corporations Regulations 2001; and
 - b. give a true and fair view of the financial position as at 30 June 2014 and of the performance for the year ended on that date of the Company.

This declaration has been made after receiving the declaration required to be made to the Directors in accordance with Section 295A of the Corporations Act 2001 for the financial year ended 30 June 2014.

On behalf of the Directors



Dermott McVeigh
Non-Executive Chairman

Date: 26 September 2014

SHAREHOLDER INFORMATION

AS AT 22 SEPTEMBER 2014

Ordinary Share Capital

As at 22 September 2014, the issued capital comprised of 1,206,950,301 ordinary fully paid shares held by 2,722 holders.

Distribution of equity securities

Analysis of numbers of equity security holders by size of holding:

Holding	Ordinary shares		Options	
	Number	Number of Shares	Number of Holders	Number of Options
1 to 1,000	104	3,934		
1,001 to 5000	104	387,505		
5,001 to 10,000	284	2,467,388		
10,001 to 100,000	1,349	61,395,372	5	275,000
100,000 and over	881	1,142,696,102	31	107,911,826
	2,722	1,206,950,301	36	108,186,826

There were no holders of less than a marketable parcel of ordinary shares.

Twenty largest holders of quoted equity securities

Shareholder	Ordinary shares	
	Number held	Percentage of issued shares
HSBC Custody Nominees (Australia) Limited	228,713,178	18.95%
National Nominees Limited	92,191,415	7.64%
MCA Nominees	87,702,132	7.27%
Twynam Agricultural Group (Australia) Limited	23,402,870	1.94%
BNP Paribas Noms Pty Ltd	20,252,362	1.68%
Australian Contract Mining Pty Ltd	17,214,285	1.43%
LSAF Holdings Pty Ltd	17,187,500	1.42%
JP Morgan Australia Nominees Limited	16,616,578	1.38%
Comdox No 28 Pty Limited	16,137,092	1.34%
Redland Plains Pty Ltd<Brian Rodan Super Fund A/C>	15,550,000	1.29%
BKVS Enterprise Pte Ltd	13,000,000	1.08%
Keng ChuenTham	12,751,333	1.06%
Brispot Nominees Pty Ltd	12,673,805	1.05%
Kaylan Trading Corporation	12,062,500	1.00%
Agcentral Pty Ltd	10,666,666	0.88%
Redland Plains Pty Ltd<Majestic Investment Fund A/C>	10,300,000	0.85%
Kingsgate Consolidated Limited	10,000,000	0.83%
Yarandi Investments Pty Ltd	9,175,173	0.76%
Monex Boom Securites (HK) Ltd	9,000,000	0.75%
Mr Nick Adamidis	8,967,541	0.74%
Total	643,564,430	53.32%

Substantial holders

Substantial holders in the company are set out below:

Name of substantial shareholder	Number of shares held	Percentage of issued shares
Mr Brian Rodan	138,891,417	11.51%
Baker Steel Capital Managers	123,890,474	10.26%
Genesis Investment Management	108,171,833	8.96%
Capital Research Global Investors	73,199,466	6.06%
Mr John Kahlbetzer	41,212,393	3.41%

Voting rights

The voting rights attaching to each class of equity securities are set out below:

(a) Ordinary shares

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

(b) Options

No voting rights.

Interest in Mining Tenements

Current interest in tenements held by Indochine Mining Limited and its subsidiaries as at 22 September 2014 are listed below:

Country / Project	Tenement	Interest
Papua New Guinea*	1093	100%

* Under application for renewal

CORPORATE DIRECTORY

Directors:	Dermott McVeigh Gavan H Farley Craig Dawson
Company Secretary:	Ashok Jairath
Registered Office:	Level 1 26 Clive Street West Perth, WA 6005 Tel 1300 782 416 Fax 08 9485 1977
Auditors:	RSM Bird Cameron Partners Level 12, 60 Castlereagh Street Sydney NSW 2000 Tel 02 9233 8933 Fax 02 9233 8521
Share Registry:	Link Market Services Limited Level 12, 680 George Street Sydney, NSW 200 Tel 1300 554 474 Fax 08 9485 1977
Internet:	www.indochinemining.com

COMPANIES IN THE ECONOMIC ENTITY

Indochine Mining Limited	ACN 141 677 385
Indochine Resources Pty Limited	ACN 119 808 007
Indochine Resources (Cambodia) Limited	Cambodian Business number Co.4104E/2007
Asia Pacific Gold and Copper Company Pty Limited	ACN 127 948 958
Asia Pacific Gold and Copper (Cambodia) Limited	Cambodian Business number Co.4835E/2008
Aries Mining Pty Limited	ACN 112 236 114
Summit Development Limited	PNG company number 1-73895
Positive Development Limited	PNG company number 1-74916

STOCK EXCHANGE

Australian Stock Exchange (Sydney)	ASX code: IDC
Port Moresby Stock Exchange (Papua New Guinea)	POM SoX: IDC

