

2012 drill results confirm high grade mineralisation at Mt Kare Gold/Silver Project

IDC NOW FIRMLY FOCUSED ON BONANZA ZONE DRILLING PROGRAMME

Company Announcements Office
Australian Securities Exchange
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ACN 141 677 385

ASX CODE: IDC

Company Directors

Ian W Ross
Chairman (Non-Executive)
Steve Gemell
Non-Executive Director
Gavan H Farley
Non-Executive Director

Management

Stephen Promnitz
Chief Executive Officer
George Niumataiwalu
PNG Country Manager
Anthony W Burgess
Technical Geological Consultant
Ashok Jairath
Chief Financial Officer

Major Shareholders

Baker Steel Capital	10.6%
Black Rock	8.2%
Genesis Asset Mgmt	7.7%
Capital Group	4.9%

Corporate

Market Cap	~A\$80M
Shares Issued	786.5M

Indochine Mining Limited (ASX: IDC) is pleased to confirm that it has recently received results from the last of the 58 holes for the 2012 diamond drilling programme. This programme totalled for 7,790 metres of diamond drilling and achieved a number of key outcomes:

- Confirmation of historical high grades identified prior to Indochine's acquisition of the project;
- The grades are similar or higher than previous drill results;
- The results provide increased confidence in the resource potential;
- Recent bonanza results should increase total contained gold
- These results, and results from the current drilling programme targeting the bonanza zones, will underpin the reclassification of material from inferred to indicated and measured status.

Background

Indochine Mining acquired the Mt Kare project in PNG in 2011, and following a full data review, converted the existing Canadian N143-101 compliant resource to a JORC compliant resource. Due to the conversion between reporting jurisdictions, among others, a significant portion of the resource was classified as inferred in 2011, although the deposit contained 365 drill holes, with a drill spacing predominately at 30 m by 30 m.

The objectives of Indochine's 2012 drilling were to:

- Verify the results of historical drilling programmes across the resource zones;
- Provide data for a new geological model;
- Infill the resource drilling density, to support upgrading of inferred mineral resources to the higher confidence indicated and measured categories; and
- Provide samples for the metallurgy programme initiated by Indochine.

2012 Drill Programme

58 holes completed and assays received from IDC's 2012 drill programmes.

Best 2012 drill results: Drillhole 122SD11 with 17.7 m at 100.3 g/t gold, 134 g/t silver, for 1775 gram – metres.

Indochine drilled 58 holes in the 2012 programme equivalent to 13% of the historical metres drilled. The top 20 intersections drilled by Indochine and those by the previous project owners show a similar tenor of results, which gives Indochine confidence about the high quality of the resource.

The company is using the results of the 2012 drilling programme, and the results from the current drilling of the Bonanza zones to improve the geological model for Mt Kare. This will lead to an improved resource model for the deposit, and together with the increased drilling density, will result in a significant upgrade of material from the inferred to the indicated and measured categories. The improved geological model will also assist in targeting step out drilling to expand the current Mt Kare resource.

Results have now been received for all holes in the 2012 drilling programme. The location of holes drilled by the company and historical holes is shown in Figure 1. A comparison of the best intersections received by Indochine from the drilling programme with historical intersections is shown in the following tables 1 and 2.

The CIL amenable (weathered/oxide) and surface materials from the upper parts of holes in the 2012 drilling programme have been prioritised for metallurgical testing and plant design.

QA/QC Procedures

Results provide increased confidence in the resource potential.

An important part of any resource definition programme is quality assurance and quality control of the laboratory data. Indochine used ALS Laboratories (Perth) for the 2012 drilling programme. Quality sampling consisted of analysis of independently prepared certified standard samples and coarse blanks every 25 primary samples. These standards varied in gold content and included certified blank samples. Duplicate samples were collected every 25 samples and analysed to assess natural variability (the nugget effect) and sample preparation.

The assays of standard samples received from ALS show a sufficiently low number of analyses outside 1 standard deviation of their normal value, that results are considered of appropriate quality for resource and reserve calculation.

Programme outcomes

As part of the assaying programme Indochine has also identified areas of the deposit hosting high grade silver, with values locally exceeding 1,500 g/t silver (30 g/t Au equivalent, using a 1:50 conversion).

2012 drilling confirms the tenor of historical results.

Indochine CEO Stephen Promnitz said: “Indochine’s recently completed 2012 drilling campaign confirms both the tenor of the historical results, and the presence of high grade mineralisation at Mt Kare. This supports the fact that there will be a rapid payback on the project. With the quality of the resource confirmed, the additional drill density from the 2012 drilling will contribute to an upgrade of resource material into both indicated and measured categories.”

“The gram x metre values (a commonly used measure to present gold intersections) shows some exceptional grades, such as 1775 gram-metres (17.7 m at 100.3 g/t Au) in Indochine’s best hole and 9100 gram-metres in the best historical hole. These grades are the type of bonanza mineralisation which Indochine is now targeting in current drilling.”

“Metallurgical test work on 2012 drill core is also underway to optimise the project process route and assist in mine scheduling. With the project at the bankable feasibility stage, there will be an ongoing release of drill results from the Bonanza drilling programme which will strengthen the project economics even further. The oxide evaluation programme and step-out exploration drilling will also make the project larger, and much more attractive to investors.”

This release completes Indochine’s assessment of the 2012 drilling programme. The final outcome will be an improved geological model and upgraded resource statement.

Releases on drilling results in March and April will relate to the bonanza drill programme.

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Table 1: Best assays from 2012 Indochine drillholes

#	Drillhole	From	To	Interval	Au g/t	Ag g/t	gram-metres	
							Au	Zone
1	122SD11	59	76.7	17.7	100.3	134	1775	BZ
2	146SD12	78	116	38	20.8	57	790	BZ
3	132SD12	6	84	78	6.0	19	466	WRZ
4	168SD12	22.2	227	204.8	1.9	15	384	WRZ
5	133SD12	11	63	52	6.7	23	350	WRZ
6	131SD12	23	122	99	3.2	19	319	WRZ
7	177SD12	12	182	170	1.8	18	306	WRZ
8	123SD11	56.8	93.2	36.4	6.2	232	226	BZ
9	150SD12	62	104	42	4.9	62	206	WRZ
10	135SD12	102	142.6	40.6	3.8	21	153	WRZ
11	158SD12	31.7	129	97.3	1.5	12	146	WRZ
12	138SD12	35	67	32	4.1	6	131	WRZ
13	129SD11	16	63	47	2.5	20	118	WRZ
14	126SD12	99	120	21	5.5	625	115	WRZ
15	157SD12	26	102	76	1.5	11	114	CZ
16	147SD12	7	37	30	3.7	96	112	BZ
17	162SD12	36	69	33	3.1	55	101	BZ
18	170SD12	5	31	26	3.8	59	100	BZ
19	163SD12	29	52	23	4.1	15	93	WRZ
20	154SD12	49	64	15	6.1	42	92	BZ

Intercepts are downhole and not true width. Assays reported as received from the laboratory, no top cuts applied

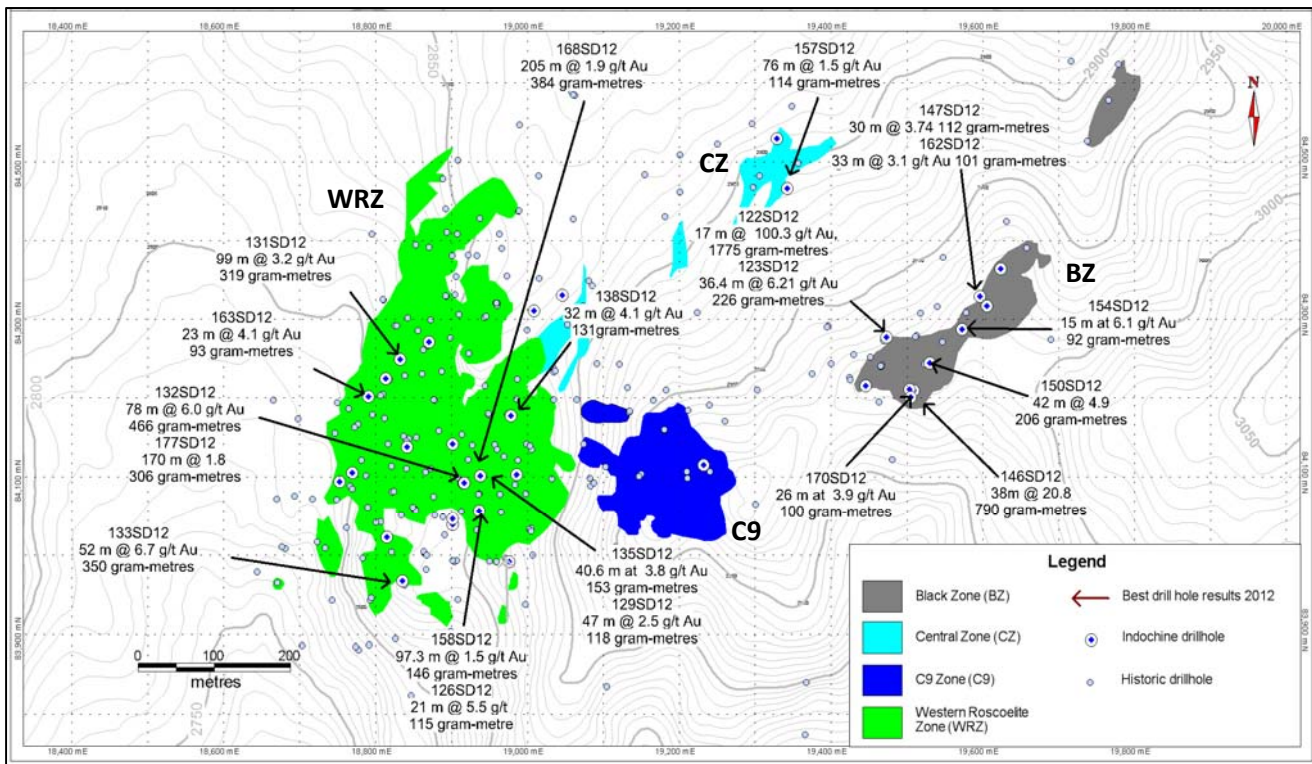
Table 2: Best assays from historical Mt Kare drillholes – as presented in tables 11-1 to 11-7 in the Snowden N143-101 Report dated August, 2007.

	Drillhole	From	To	Interval	Au g/t	Ag g/t	gram-metres	
							Au	Zone
1	MK9705	37.5	58	20.5	443.90	163.7	9100	WRZ
2	MK99146	84	96	12	173.51	73.55	2082	WRZ
3	MK9717	84	142.5	58.5	11.70	37.3	684	WRZ
4	MK06-53	93	133	40	15.25	69.30	610	WRZ
5	MK06-58	78	108	30	19.21	72.39	576	WRZ
6	MK06-63	98.2	123.2	25	22.61	69.65	565	WRZ
7	MK06-09A	44.65	78	33.35	15.71	10.12	524	WRZ
8	MK06-50	101	128.5	27.5	17.20	18.16	473	WRZ
9	MK06-11	56	58.5	2.5	173.00	103	433	WRZ
10	MK15	68	82	14	28.40	212.9	398	BZ
11	MK9744	159	177	18	20.60	65.3	371	WRZ
12	MK9706	67.5	82.5	15	23.30	145.1	350	BZ
13	P167	43.5	52.5	9	29.30	13.3	264	WRZ
14	MK9782	82.5	118.5	36	6.50	35.7	234	WRZ
15	MK98132	70.5	96	25.5	9.00	85.1	230	BZ
16	MK9773	76.5	109.5	33	6.50	45.1	215	WRZ
17	MK98116	33	66	33	6.20	32.80	205	BZ
18	MK9	210	260	50	4.04	5.58	202	WRZ
19	MK9707	49.5	93	43.5	4.20	78.80	183	BZ
20	MK98110	3	34.5	31.5	5.20	69.5	164	BZ

Table 3: Location of Indochine 2012 programme drillholes

		Mt Kare Local Plane Grid								Mt Kare Local Plane Grid					
HoleID	Zone	East	North	RL	Azimuth	Dip	Depth	HoleID	Zone	East	North	RL	Azimuth	Dip	Depth
122SD11	BZ	19470.2	84276.5	2990.2	135	-60	76.7	151SD12	CZ	19002.4	84302.8	2884.2	135	-45	62.6
123SD11	BZ	19470.2	84276.5	2990.2	135	-50	105.5	152SD12	C9	19235.7	84101.0	3007.2	0	-90	80.8
124SD11	WRZ	18931.4	84056.0	2860.2	315	-65	49	153SD12	CZ	19040.3	84324.7	2888.4	135	-45	114.6
125SD12	WRZ	18894.1	84042.7	2854.8	315	-45	163.8	154SD12	BZ	19566.9	84280.5	3009.9	0	-90	93.1
126SD12	WRZ	18931.4	84056.0	2860.2	315	-65	213.4	155SD12	CZ	19339.0	84465.8	2918.3	315	-45	103.3
127SD12	WRZ	18908.6	84087.2	2855.6	135	-70	171.3	156SD12	CZ	19003.9	84302.5	2884.4	135	-45	127
128SD12	WRZ	18898.6	84039.4	2855.1	135	-45	136.6	157SD12	CZ	19339.0	84465.9	2918.3	315	-65	136.1
129SD12	WRZ	18932.4	84102.7	2860.5	315	-65	167.6	158SD12	WRZ	18932.7	84060.6	2860.8	315	-50	180.6
130SD12	WRZ	18979.2	84102.9	2874.0	315	-75	26.6	159SD12	CZ	19318.0	84423.8	2927.1	315	-45	124.5
131SD12	WRZ	18831.2	84241.5	2823.7	135	-75	152.3	160SD12	CZ	19335.6	84525.6	2908.5	135	-45	149.4
132SD12	WRZ	18912.8	84084.6	2855.7	315	-57.5	178.5	161SD12	BZ	19621.4	84359.4	3007.4	0	-90	94.9
133SD12	WRZ	18831.0	83985.5	2856.3	315	-75	134.6	162SD12	BZ	19592.1	84321.0	3010.7	135	-70	133.6
134SD12	WRZ	18979.3	84101.4	2873.9	315	-75	188.2	163SD12	WRZ	18781.5	84201.7	2809.9	135	-75	71.5
135SD12	WRZ	18935.9	84099.7	2860.2	122	-82	142.6	164SD12	WRZ	18743.8	84093.1	2798.1	0	-90	30.8
136SD12	WRZ	18840.4	84121.0	2828.8	135	-45	39.5	165SD12	WRZ	18907.6	84089.9	2855.7	0	-90	173.9
137SD12	WRZ	18814.9	84012.0	2852.2	0	-90	133	166SD12	WRZ	18815.0	84009.7	2852.4	139	-66	141.9
138SD12	WRZ	18973.4	84176.4	2862.2	315	-55	110.4	167SD12	WRZ	18895.6	84041.9	2854.8	315	-60	139.6
139SD12	WRZ	18966.1	83991.4	2901.2	315	-50	31.1	168SD12	WRZ	18933.5	84101.9	2860.6	135	-90	272.3
140SD12	WRZ	18966.1	83991.4	2901.2	315	-50	60.9	169SD12	WRZ	18809.5	84216.9	2811.1	315	-80	70.3
141SD12	WRZ	18764.2	84107.0	2804.6	0	-90	42.1	170SD12	BZ	19504.1	84200.0	2999.3	315	-80	151.3
142SD12	WRZ	18778.0	84200.9	2809.9	135	-50	120.5	171SD12	WRZ	18895.6	84041.9	2854.8	315	-85	163.3
143SD12	BZ	19621.6	84361.0	3007.3	135	-70	90.4	172SD12	WRZ	18981.6	84102.3	2873.6	305	-89.5	289.6
144SD12	WRZ	18978.0	84173.1	2862.2	135	-50	51.7	173SD12	WRZ	18968.4	83990.9	2901.9	315	-75	235.5
145SD12	WRZ	18812.1	84213.7	2811.2	135	-70	130.3	174SD12	BZ	19606.0	84310.8	3009.9	135	-60	17.9
146SD12	BZ	19502.5	84201.7	3023.9	315	-70	166	175SD12	Maratane	19055.8	83053.9	2681.1	315	-60	391
147SD12	BZ	19590.9	84324.3	3010.0	136	-51.3	95.4	176SD12	WRZ	18831.4	83985.8	2856.5	0	-90	216.7
148SD12	WRZ	18873.4	84265.4	2850.7	315	-65	154.1	177SD12	WRZ	18909.8	84093.2	2856.0	95	-70	375.9
149SD12	BZ	19439.0	84211.3	3004.8	0	-90	145.6	178SD12	WRZ	18972.0	83988.4	2902.2	135	-65	145.3
150SD12	BZ	19525.9	84238.5	3013.8	315	-75	185								

Figure 1: Mt Kare Resource Plan with locations of 2012 drillholes and resource model zones



Competent Person Statement

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

About Indochine Mining Limited

Bonanza Gold Catapults Indochine's Mt Kare Development, PNG

- Drilling is underway on bonanza gold zones identified within the major Mt Kare gold/silver project, PNG, to determine their orientation, size and grade. Assay results are being released in March and April.
- The bonanza gold zone concept was confirmed in assays in February 2013 with 21m @ 34 g/t gold including 5m @ 105 g/t gold. Prior bonanza intercepts include 18 m at 100 g/t gold and 21 m at 444 g/t gold.
- These bonanza zones will significantly improve the robust economics of Mt Kare and grow the current interim resource of 1.8 Moz at 1.9 g/t gold in 28 Mt.
- Mt Kare is situated 15 km from the adjoining 28 Moz world-class Porgera gold mine, one of the world's top 10 gold mines, with over 5000,000 oz/yr production for over two decades.
- Indochine's geological consultant, Tony Burgess, is a Porgera veteran as the Senior Resource Geologist and Competent Person for over a decade and he defined ~10 Moz in gold reserves, surrounding the bonanza zones at Mt Kare and considers they have an 'identical signature to the "bonanza" quartz-roscoelite zones at Porgera'.
- Indochine commenced this project 2 years ago and has attracted a group of major offshore investors in the US, UK and Europe, due to the scale and grade of the project, including some of the world's top funds, BlackRock, Baker Steel and Capital Group.

Within a short time frame, Indochine has completed:

- A robust Pre-Feasibility Study, with production forecast circa 150,000 oz/yr from 2015;
- Bonanza gold zones identification, which will transform the resource and the robust economics; and
- A landowner investigation study has been completed and achieved overwhelming local support.

The company aims to deliver:

- A Feasibility Study by end 2013 to trigger the application for mining leases, moving into production in 2015; and
- Rapidly expand the resource and increase the grade by targeting bonanza zones.

Heading up the team is George Niumataiwalu, a mining engineer with an MBA finished in Harvard. George previously delivered a landowner agreement, fully permitted mining lease and environmental approvals on a similar gold/silver project, which was the last gold mine permitted in PNG. Stephen Promnitz, the CEO, started in exploration and mine development and drilled the first holes into Mt Kare in early 1988 with CRA (Rio Tinto) when gold was first discovered.