



INDOCHINE MINING LIMITED

ACN 141 677 385

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Company Announcements Office
Australian Securities Exchange

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Indochine Advances Option Over Mt Kare Gold Project

Minister Approves Transfer & Extension of Exploration License.

Indochine Mining Limited (ASX: IDC) has progressed plans to acquire the potentially world-class Mt Kare Gold Project in Papua New Guinea (PNG) following ministerial approval for the transfer and extension of the project's exploration license EL1093.

The notification of the extension of term and transfer of EL1093 has now been provided by the Mineral Resources Authority of PNG to Summit Development Limited, a private PNG company, (*Summit*). Indochine, a well-financed Asia-Pacific gold and copper explorer, has an option to acquire Summit and the project. As detailed in our announcement of December 30th 2010, Indochine has agreed to provide finance of up to \$4 million to Summit for the Option, which will form part of the full consideration. The final details of the contract for the transaction are currently under negotiation and are subject to other pre-conditions which are expected to be satisfied within 21 days. At this time, the transaction is commercial-in-confidence, and further details will be released to the market upon completion.

The Mt Kare Gold Project is located in Enga Province, 20 kilometres southwest of Barrick's multi-million ounce Porgera gold mine. Mt Kare, shares a similar geological setting and style of mineralisation to the Porgera gold mine.

Upon completing the transaction, Indochine and Summit will commence work on converting the Canadian NI 43-101 resource statement to a JORC-code compliant resource statement and commence a full feasibility study focusing on metallurgy, processing options and environmental studies, which will include an updated independent genealogical and social mapping study. Once this is achieved, discussions may be held with potential partners to expedite development of the project.

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