

18 MARCH 2021

INDOCHINE MINING LIMITED

ABOUT

Indochine is a mineral exploration and development company that, subject to renewal of the Licence, is seeking to advance the Mt Kare Au - Ag Project in Papua New Guinea.

PROJECTS

MT KARE Au-Ag Project
(licence renewal pending)

BOARD AND MANAGEMENT

Brian Rodan – Executive Chairman
Jon Edwards – Non-Executive Director
Johnathon Busing – Non-Executive Director
Sebastian Andre – Company Secretary

CURRENT ISSUED CAPITAL

Shares: 33,263,050
Options: 10,000,000 exercisable at \$0.05 each on or before 31/12/2025

CONTACT

Level 2, 41 Ord Street
West Perth WA 6005
P: 08 6458 4200
E: info@indochinemining.com

www.indochinemining.com

**COMPLETION OF DEED OF COMPANY ARRANGEMENT
AND COMPANY UPDATE**

Highlights

- Deed of Company Arrangement effectuated and new directors appointed.
- Audit of the Company's 2019 and 2020 financial statements in progress.
- 2019 and 2020 Annual General Meetings to be held as soon as possible.
- Judgement in the Papua New Guinea Supreme Court appeal (**Appeal**) heard by a 3-judge bench on 26 February 2019 is still pending, with court timetables impacted by COVID-19.
- Strategic opportunities being evaluated by directors.
- Morgans Corporate Limited (**Morgans**) to assist in relation to funding and in developing value creating opportunities for shareholders.

Indochine Mining Limited (Indochine, or the Company) is pleased to announce that the Deed of Company Arrangement that was executed on 4 June 2015 was completed on 19 January 2021, at which time KPMG acting as the Deed Administrator retired and handed control of Indochine back to the Company's Board of Directors.

Indochine provides the following update to shareholders, other stakeholders and potential future investors.

Historical Background

Indochine is an exploration company that is seeking to advance the **2.45m oz¹** Mt Kare Au-Ag Project (**Project**), pending renewal of exploration licence EL1093 (**Licence**), located ~15 Kilometers from the ~**35M oz Porgera Gold Mine** in the Western Highlands of Papua New Guinea.

Table 1: Mt Kare Project - JORC Mineral Resource Statement (July 2013) *Cut-off 0.5g/t gold*

Resource Classification	Million Tonnes	Gold g/t	Silver g/t	Gold Moz	Silver Moz	Gold Equivalent Moz ⁽¹⁾
Measured Resource	20.2	1.84	20.9	1.19	13.5	1.44
Indicated Resource	8.3	1.29	8.1	0.34	2.2	0.38
Measured and Indicated Resource <i>(Combined)</i>	28.4	1.68	17.2	1.53	15.7	1.82
Inferred Resource	14.1	1.27	6.0	0.57	2.7	0.63
Total Mineral Resource	42.5	1.54	13.5	2.11	18.4	2.45

Indochine acquired the Mt Kare Project for ~A\$27M in cash and fully paid ordinary shares in the capital of the Company (**Shares**) in 2011 (**Acquisition**). Since then, Indochine has invested over A\$70M directly in exploration, evaluation, mine feasibility and landowner investigation studies as well as ~A\$15M in indirect costs including social and community support, security, maintenance, helicopter support and provision of finance and administration functions to support activities at site, for a total investment exceeding A\$100M.

Since the Acquisition, Indochine has worked diligently with the PNG authorities, landowners and various other stakeholders to explore and advance the Mt Kare Project.

In August 2014, the Mt Kare Exploration Licence, EL1093, was due for renewal. In line with the PNG Mining Act 1992 and, as is customary in PNG, the Company continued to fund the exploration program until the Licence renewal application was determined. After seven months of funding the exploration and development activities at Mt Kare, delays caused by the non-renewal of the Exploration Licence created uncertainty amongst investors and negatively impacted the Company's ability to finalise funding to continue work on the Project.

As a consequence of these factors, the then Board of Indochine placed the Company into voluntary administration on 27 March 2015 (**Administration**). Ferrier Hodgson (now KPMG) was appointed as voluntary administrator of Indochine (**Administrator**). A Deed of Company Arrangement (**DOCA**) was approved by Indochine creditors on 13 May 2015 and was subsequently executed on 4 June 2015.

Full particulars are available on the Company Web site at www.indochinemining.com

¹ Reported in accordance with the 2004 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (The JORC Code, 2004 Edition). The total Mineral Resource was estimated at 42.5Mt at 1.54 g/t gold and 13.5 g/t silver for 2.11Moz gold, 18.4 Moz silver or 2.45Moz gold equivalent. Refer to announcements dated 10 July 2013 for further details (available online at <http://www.indochinemining.com/>). Due to the current status of the Licence, the Company has not done the work required to upgrade the Resource for compliance with the 2012 Edition of the JORC Code.

Supreme Court Appeal

The Appeal is in relation to the judgement of Her Honor Justice Nablu (deceased) upholding the then Minister for Mining's decision not to renew application for an extension of the Licence of Summit Development Limited (**Summit**), being a wholly owned subsidiary of Indochine.

The Appeal was heard on 26 February 2019 by a three-judge bench of the Supreme Court, comprising Justices Batari, Dingake and Miviri.

Until the Court's decision is handed down, the Minister for Mining, the Mineral Resources Authority and the other defendants are precluded from taking any action in respect of the Mt Kare Gold Project, including granting of a Licence to another party to explore or develop the Project. Summit will provide an update once the Court's decision has been made and announced.

Government and Landowner Engagement

As previously announced, in 2019, Indochine received an open letter of support from the Mt Kare landowners expressing their desire for Indochine and Summit to recommence operations at the Project. The letter was dated 12 November 2019 and it was signed by **156 landowners of Mt Kare**. A copy of the letter is available on the Indochine website (www.indochinemining.com)

In December 2019, Indochine, Summit and KPMG representatives met with PNG Prime Minister, Honorable James Marape MP, and the Governor of Enga Province, Grand Chief Sir Peter Ipatas MP GCL KBE, in Port Moresby. The purpose of the meeting was to re-affirm Summit's commitment to the Mt Kare Project, should Summit succeed in the Appeal.

Whilst the Parliament House meeting was cordial and constructive it was confirmed that no further development of the Mt Kare Project could take place until the Supreme Court delivered its final judgement in respect to the Appeal.



Photo: L/R Front Ashok Jairath former Company Secretary, **Governor** and **Grand Chief Sir Peter Ipatas** MP GCL KBE, Brian Rodan Indochine, **Prime Minister, Honorable James Marape**, Curtis Blades Indochine; **Back:** Michael Sullivan Summit, Martin Jones – Deed Administrator

Mr Michael Sullivan, in Country Director of Summit, said: *“Assuming a favorable Appeal results in the Licence renewal, or a new licence being granted on reasonable terms, it would be Summit’s intention to pay all PNG creditors in full and to rapidly recommence the exploration program at Mt Kare as soon as is possible.”*

Completion of the Deed of Company Arrangement

KPMG (formerly Ferrier Hodgson) was appointed as Indochine’s voluntary administrator pursuant to section 436A of the Corporations Act 2001 (Cth) on 27 March 2015 and was subsequently appointed Deed Administrator on 4 June 2015.

On 20 January 2021, **Mr Martin Jones** of KPMG (in his capacity as Administrator of Indochine) announced that: *“We confirm that the conditions and all other obligations under the DOCA executed on 4 June 2015 have been met and accordingly the DOCA has been fully effectuated effective 19 January 2021. Consequently, I have now retired as Deed Administrator of the Company”*.

Under the DOCA, Kandahar Holdings Pty Ltd (**Kandahar**) loaned \$500,000 to the Company (**DOCA Loan**), of which \$50,000 was granted in 2015 (**First Loan Amount**) and \$450,000 was granted on effectuation of the DOCA (**Second Loan Amount**).

Upon the DOCA being effectuated, the DOCA Loan converted into 10,000,000 Shares and 10,000,000 options (exercisable at \$0.05 on or before 31 December 2025). Further details with respect to the securities issued on effectuation of the DOCA are set out in the corporate update below.

Board Changes

As a result of the effectuation of the DOCA, previous directors Messrs Keith Murray, Craig Dawson and Tony Gates, retired and the following directors were appointed:

- Mr Brian Rodan as Executive Chairman;
- Mr Jonathon Edwards as Non-Executive Director; and
- Mr Johnathon Busing as Non-Executive Director.

The Board thanks the outgoing Directors for their valuable commitment to Indochine during a difficult time for the Company. **Indochine’s Executive Chairman, Brian Rodan**, said: *“Keith, Craig and Tony were all appointed to the Indochine Board at a time when the Company was in a very difficult financial position and they have worked diligently to protect the interests of all shareholders and to rebuild the Company’s prospects in PNG and beyond. They have each acted with the utmost integrity and, as a shareholder myself, I thank them very much for their valued efforts”*.

The experience of the incoming company officers is set out below.

Mr Brian Rodan - Executive Chairman

- Fellow of the Australian Institute of Mining and Metallurgy (FAusIMM) with 43 years’ experience.
- Managing Director and owner of Australian Contract Mining Pty Ltd (ACM), a mid-tier contracting company that successfully completed \$1.5 billion worth of work over a 20-year period. ACM was sold to an ASX listed gold mining company in 2017.
- Founding Director of Dacian Gold Limited, which purchased the Mt Morgans Gold Mine from the Administrator of Range River Gold Ltd. After Dacian listed on the ASX in 2012, Mr Rodan was Dacian’s largest shareholder.
- Executive Director of Eltin Limited. 15-year tenure with Australia’s largest full service ASX listed contract mining company, with annual turnover of \$850M (+).

- Acting Executive Chairman of Siren Gold Limited (ASX: SNG).
- Former Director and substantial shareholder of Desert Metals Limited (ASX: DM1), resigning shortly prior to DM1's listing on the ASX.
- Executive Chairman of Icen Gold Limited.

Mr Jon Edwards – Non - Executive Director

- Bachelor's degree in Mechanical Engineering with 40 (+) years' experience in the resources sector.
- Managing Director and owner of Seatrak Pty Ltd, an oil field services business with a turnover of \$20M at the time of its sale to Helix Energy Solutions Group in 2007, after which he spent 5 years as that company's business development executive.
- Mr Edwards is currently an active property and share market investor.

Mr Johnathon Busing – Non - Executive Director

- Member of Chartered Accountants Australia and New Zealand and holds a public practice certificate.
- Managing Director and owner of Everest Accounting, which specialises in advising ASX listed companies on compliance, mergers and acquisitions and statutory accounting requirements.
- Company secretary for several ASX listed companies and currently a director of Caeneus Minerals Limited (ASX: CAD).

Sebastian Andre - Company Secretary

- Chartered Secretary with over 10 years of experience in corporate advisory, governance and risk services.
- Previously acted as an adviser at the ASX and has a thorough understanding of the ASX Listing Rules, specialising in providing advice to companies and their boards in respect to capital raisings, mergers and acquisitions, ASX listings, corporate compliance and governance matters.
- Mr Andre holds qualifications in accounting, finance, corporate governance and is a Fellow of the Governance Institute of Australia.

Future Company Direction

Indochine's Executive Chairman, Brian Rodan, said: *"With the successful effectuation of the DOCA, the next steps for the Company include completion of all outstanding corporate matters and commencing work to evaluate strategic opportunities that aim to restore value to shareholders."*

Sam Turner, Director – Corporate Advisory at Morgans said: *"Morgans have successfully worked with **Brian Rodan** and his team on the recent IPO of Siren Gold Limited, where we underwrote a \$10 million capital raise to fund the commencement of exploration drilling at the Reefton Goldfield in New Zealand."*

We also successfully listed Desert Metals Limited in December 2020, of which Brian is a significant cornerstone shareholder, and who introduced Morgans to that transaction.

Most recently, Morgans have worked with Brian and his team to underwrite the \$20 million IPO of Icen Gold Limited, which has circa 585km² of mining tenements in the Laverton / Leonora Goldfield of Western Australia and which adjoins major world class mines such as Wallaby, Granny Smith and Sunrise Dam.

Morgans are very familiar with PNG, having lead-managed capital raisings and block trades totaling more than \$260 million for leading ASX listed PNG financial institution Kina Securities and several resource companies. Subject to a successful outcome from the Appeal in the Supreme Court of PNG, Morgans would be excited to assist in raising the required capital to recommence the exploration programme at the Mt Kare

Project, whilst also considering other strategic opportunities to present to the Board of Indochine Mining Limited”.

It will become necessary for Indochine to raise funds in the future to progress strategic opportunities and the Board wishes to prioritise existing shareholders in any such capital raising activities, subject to compliance with all relevant securities laws. The Board encourages shareholders to express their interest in participating in any proposed future capital raising.

Corporate

The Company’s current priorities include completing the audit of the Company’s 2019 and 2020 financial statements and holding the 2019 and 2020 Annual General Meetings as soon as possible.

In connection with effectuating the DOCA, Kandahar raised a sum of \$1,735,000 (**Subscription Sum**) from professional and sophisticated investors, with the Subscription Sum invested in Indochine. Of the Subscription Sum, \$450,000 was applied toward payment of the Second Loan Amount under the DOCA and the relevant investors received Shares on effectuation of the DOCA at an issue price of \$0.05 per Share. The options granted on effectuation of the DOCA are currently held by Kandahar.

The balance of the Subscription Sum (\$1,285,000) was invested in Indochine through a placement of 25,700,000 Shares at an issue price of \$0.05 per Share (**Placement**) and funds raised were used to settle amounts owing by Indochine to the Administrator (for costs incurred on behalf of Indochine during the term of the DOCA) and will be used for working capital purposes as the Board implements its strategies set out above.

Each of the current directors of Indochine participated in the capital raising completed by Kandahar. In this regard, on effectuation of the DOCA, the Administrator resolved to issue 2,321,167 Shares to Brian Rodan and 2,532,869 Shares to Jon Edwards (or their respective associates) in conversion of the DOCA Loan, with further Shares intended to be issued under the Placement, subject to shareholder approval, which will be sought at the upcoming AGM.

In addition, an entity associated with Brian Rodan settled expenses of Indochine incurred during the term of the DOCA for an aggregate sum of \$150,000.35. These amounts are also intended to be converted into 3,000,007 Shares at an issue price of \$0.05 per Share, subject to shareholder approval at the upcoming AGM.

Vale – Mr Ashok Jairath

Indochine was greatly saddened by the passing of Mr Ashok Jairath on 15 April 2020. Mr Jairath was appointed Company Secretary of Indochine on 28 August 2012 and he was a very dedicated and loyal employee for those 8 years.

Ashok was committed to working with the people of PNG and Mt Kare in particular and was very respectful of PNG’s traditions and cultures.

Indochine’s Executive Chairman, Brian Rodan, said: *“Ashok’s knowledge, insight and personal friendship is greatly missed and, speaking on behalf of the previous and current Indochine Board and management, we all send our continuing thoughts and best wishes to Ashok’s wife Barbara and their children”.*

Changed Contact Details

Indochine advises that its registered office and principal place of business has changed to:

Level 2, 41 Ord Street
West Perth WA 6005
T: 08 6458 4200
E: info@indochinemining.com

Indochine will continue to provide updates concerning its activities and prospects. Please note that the Company web site will be upgraded in due course.

For further information please contact:

Sebastian Andre
Company Secretary
Indochine Mining Limited
info@indochinemining.com