



INDOCHINE MINING LIMITED

ASX:IDC

ACN 141 677 385

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Company Announcements Office
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4 Pages

Indochine accelerates PFS stage drilling at major gold project

Significant mineralisation identified, consistent with previous high grade zones

Indochine Mining (ASX:IDC) is aggressively advancing its pre-feasibility study (PFS) stage drilling at its 2.1 million ounce gold equivalent resource in Papua New Guinea (PNG).

Three drill rigs are currently operating as part of a program to improve and increase the current resource. Large diameter drill core is also being collected for metallurgical test work as part of the PFS, scheduled for completion in August 2012.

Significant mineralisation has been identified in the recent drill holes, consistent with similar previously drilled high grade zones. Mineralisation includes veins, breccias, sulphides and gold (122-123SD11, 126SD12).

High-grade zones of gold mineralisation reported from past exploration are anticipated to be repeated, given that a number of drillholes are designed to 'twin' previous holes for metallurgical testwork (see Table 1). However, new assay results may differ from past results due to the nature of gold mineralisation. Two previous drill holes in the same locations as recent holes had assay results which included:

87 metres (m) at 27 grams/tonne (g/t) gold and 39 g/t silver from 27m, including

18 m at 6.0 g/t gold, 117 g/t silver from 40.5m and including

15 m at 148 g/t gold and 59 g/t silver from 81m, including

1.5 m at 1450 g/t gold, 580 g/t silver from 84m (MK99-146);

67.5 metres at 4.0 g/t gold and 85 g/t silver from 46.5m, including

34.5 m at 7.2 grams/tonne gold, 139 g/t silver from 61.5m and including

12 m at 10.3 grams/tonne gold, 62 g/t silver from 82.5m (MK98-132).

Indochine's CEO Stephen Promnitz commented, "We are entering an exciting period with considerable newsflow anticipated over the next 9 months from drill results and from the PFS study."

Drilling, helicopter and camp support have improved markedly this month and local community groups have maintained their support for the project.

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Mt Kare has a JORC-compliant total Indicated and Inferred Mineral Resource of 2.1 million ounce gold equivalent (or 1.8 million ounces gold) in 28.3 million tonnes at 2.3 g/t gold equivalent, as released in December 2011 (Table 2). The Mt Kare gold/silver deposit is located 15 kilometres from one of the world's largest gold mines, Barrick's giant Porgera mine. Mt Kare shares similar geology, ore types and structures to Porgera, which has existing infrastructure (road & power). Mt Kare has the potential for a large open cut mine, which will be detailed in the PFS.

Stephen Promnitz, Chief Executive Officer, Indochine Mining Limited

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Table 1: Recent Drill Holes

Drill Hole		Local Plane Grid					
Met Test Drillhole	Previous Drill Hole	E	N	RL	Azimuth	Dip °	Depth m
122SD11	MK98-132	18,866.60	84,266.80	2,849.00	135	-60	77
123SD11	MK98-132	18,866.60	84,266.80	2,849.00	135	-50	105
124SD11	MK99-146	18,933.05	84,052.05	2,862.23	315	-65	49
125SD12		18,897.59	84,042.66	2,859.30	315	-45	163
126SD12	MK99-146	18,933.05	84,052.05	2,862.23	315	-65	118+
127SD12		18,912.65	84,087.70	2,869.00	135	-70	53+

(+ indicates hole underway)

Table 2: Mineral Resource Statement, Mt Kare Gold/Silver Project, PNG – December 2011

Cut-off Gold Grade(1)	Resource Classification	Tonnes	Gold		Silver		Gold Equivalent AuEq (Au+Ag)(4)	
			Grade	Contained Metal	Grade	Contained Metal	Grade	Contained Metal
(g/t Au)	(JORC 2004)	(Million t)	(g/t Au)	('000 oz Au)	(g/t Ag)	('000 oz Ag)	(g/t AuEq)	('000 oz AuEq)
0.5	Indicated	5.90	3.7	700	30.0	5,680	4.3	810
	Inferred	22.40	1.5	1,060	20.5	14,720	1.9	1,330
	Total	28.30	1.9	1,760	22.5	20,400	2.3	2,130

Competent Person Statement

David Meade a full time employee of the Indochine Group (Indochine Resources (Cambodia) Ltd) is a member of the Australian Institute of Geoscientists 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). David Meade has consented to the public reporting of these statements and results and the form and context in which they appear.

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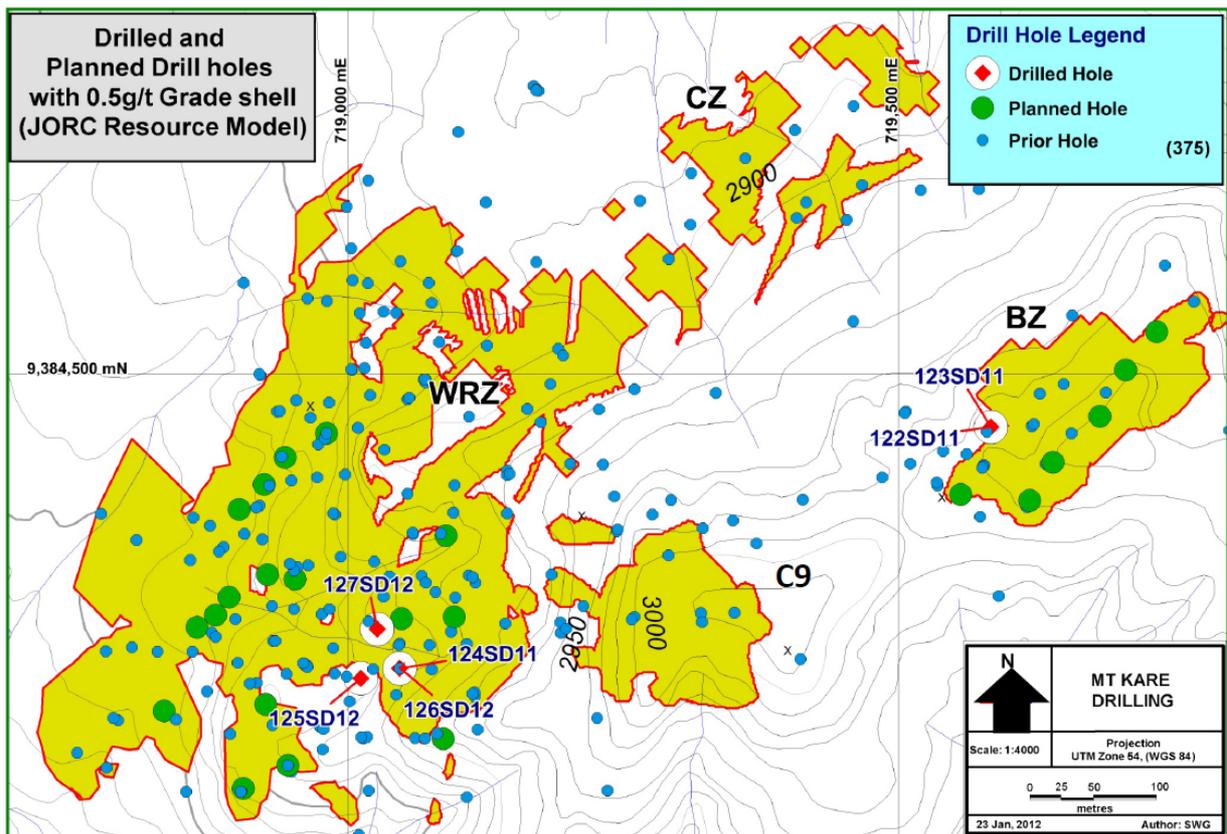


Figure 1: Plan of Mt Kare Resource with locations of drill holes and resource model zones

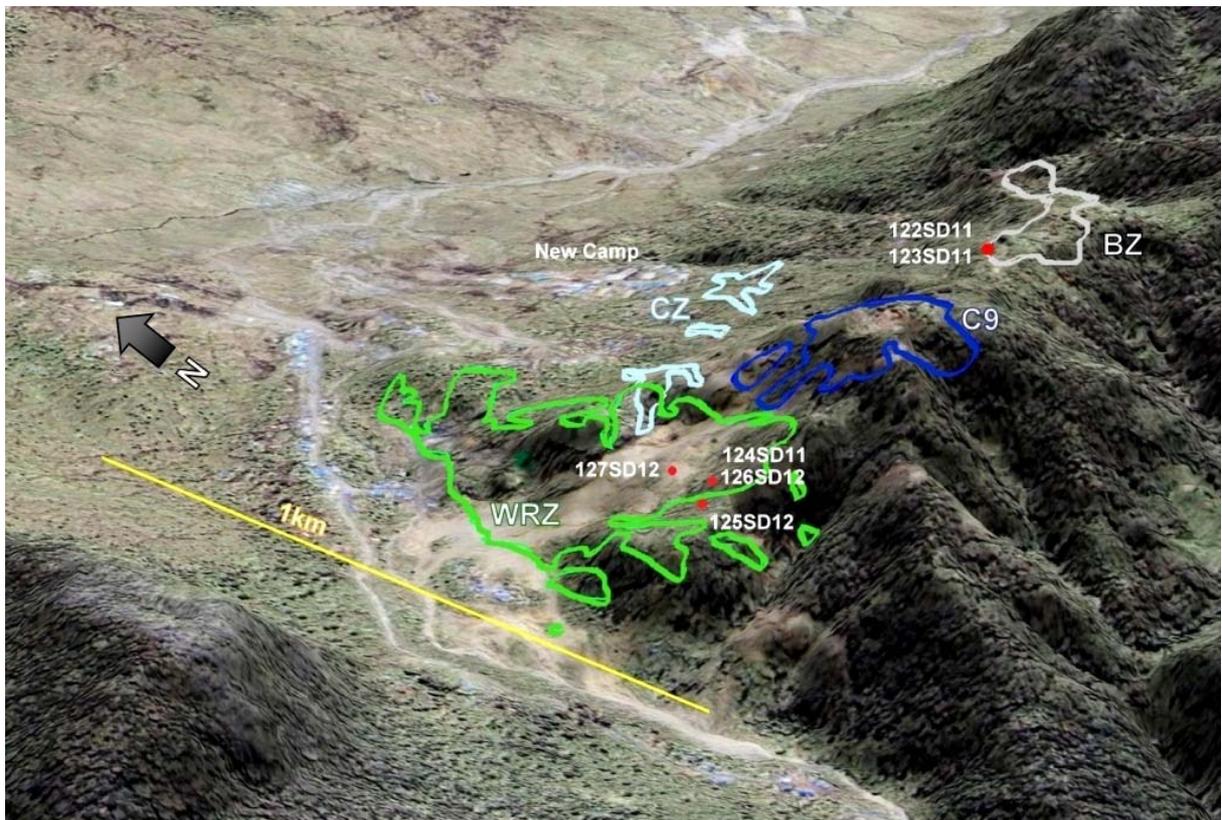


Figure 2: Oblique View of Mt Kare Resource (at surface) with locations of first drill holes

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Figure 3: Drill rig prepared for drilling at 126SD12 in the WRZ resource zone



Figure 4, 5: Drill rig drilling 126SD12; 122SD11



Figure 6: Recovering drill core at drillhole 126SD12

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