

26 JULY 2019

INDOCHINE MINING LIMITED

**Subject to Deed of Company
Arrangement**

About Indochine

Indochine is an exploration and development company that, pending renewal of the Exploration Licence, is seeking to advance the +2 Moz Mt Kare Au - Ag Project in Papua New Guinea (PNG) to a development decision.

PROJECTS

MT KARE Au-Ag Project
(Licence renewal pending)

BOARD AND MANAGEMENT

Keith Murray – Non-Executive Director
Tony Gates - Non-Executive Director
Craig Dawson - Non-Executive Director
Michael Sullivan – Non Executive
Director (Summit)
Ashok Jairath – CFO / Company Secretary

CONTACT IDC

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C/-KPMG Australia
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CORPORATE UPDATE

Supreme Court Appeal

Sponsorship of Enga Mioks Rugby League Team

Indochine Mining Limited (Subject to Deed of Company Arrangement) ("Indochine" "Company") is pleased to provide the following update:

Supreme Court Appeal

As announced on 21 February 2019, Summit Development Limited (**Summit**) a wholly owned subsidiary of Indochine, lodged an appeal (**Appeal**) on 10 July 2018 in the Supreme Court of Papua New Guinea against the judgement of Her Honour Justice Nablū upholding the Minister for Mining's decision not to renew Summit's application lodged on 28 July 2014 for an extension of Exploration Licence EL 1093 (**EL 1093**).

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

The Court reserved its decision and the date of the decision is yet to be advised. The advice from our lawyers is that the length of time in providing a decision is not unusual and that nothing should be inferred from it.

Until the judgement is delivered, the Minister for Mining, the Mineral Resources Authority and other defendants are precluded from taking any action under the Orders for Stay granted by the Supreme Court on 16 July 2018.

No new license in respect of Mt Kare will be granted to Summit or to any other party before the judgement is delivered.

We will provide further update once the judgement is delivered.

Sponsorship of Enga Mioks

Summit is pleased to advise that it has agreed to sponsor the Enga Provincial Rugby League team, the Enga Mioks (**Enga Mioks**).

The Enga Mioks compete in the PNG National Rugby League's Digicel Cup competition

Papua New Guineans are passionate about rugby league and Summit believes sponsorship of Enga Mioks highlights its continuing commitment and goodwill to the local community and Mt Kare landowners.

The official launch of the Enga Mioks sponsorship was held on 6 July 2019 at the Sanctuary Hotel in Port Moresby in the presence of Grand Chief Sir Peter Ipatas (Governor of Enga Province), Mr. Michael Sullivan (Summit Director), and the Enga Mioks team.

Commenting at the launch, Summit's Director Michael Sullivan said "the importance of rugby as a "leveler" in society cannot be overstated. Irrespective of the disadvantages people may experience in life they can still make their mark in this world if they can run, tackle and kick a football skillfully. Summit is keen to see the sport develop at all levels in PNG. A prospective developer of Mt Kare, Summit has had a very positive experience working at Mt Kare and wants to build on its already good relationship with Enga Province and the local Mt Kare community."

Responding to Michael's comments Governor Sir Peter Ipatas complimented Summit on the work it has done in the past at Mt Kare and went on to say that the sponsorship of Enga Mioks shows that Summit is still interested in working with the Engans.

Summit takes this opportunity to wish Enga Mioks all the best for the current season.

Photos taken at the sponsorship launch are following.



Seated: Mr. Michael Sullivan, Director Summit and Grand Chief Sir Peter Ipatas, Governor of Enga Province
Standing: Players from Enga Mioks Rugby League Team



Grand Chief Sir Peter Ipatas, Governor of Enga accepting sponsorship from Mr. Michael Sullivan in the presence of Mioks Rugby League Team

Mt Kare Au-Ag Project

Background

Indochine acquired the Mt Kare Au-Ag Project in Papua New Guinea (PNG) for approximately A\$27M in cash and shares in 2011.

Since then Indochine has invested over A\$70M directly in exploration, evaluation, mine feasibility and landowner studies and A\$15M in indirect costs including maintaining security, helicopter support and provided the finance and administration functions to support activities at site, for a total investment exceeding A\$100M.

From acquisition to March 2015 Indochine actively worked with PNG Authorities, Landowners and various stakeholders to explore and advance the Mt Kare Au-Ag Project. Indochine built a powerful share register with some of the Gold sectors largest financial institutions supporting the Company's exploration plans.

In August 2014 EL 1093 was due for renewal and, as per the PNG Mining Code; the Company continued to work on Mt Kare until the renewal application was determined. Delays with the renewal of EL 1093 caused uncertainty amongst investors and negatively impacted the Board's ability to finalise funding to continue work at Mt Kare. As a consequence of these factors the then Board of Indochine placed the company into voluntary administration on 27 March 2015.

Ferrier Hodgson was appointed as Voluntary Administrator of Indochine and following this a Deed of Company Arrangement (DOCA) was approved by Indochine creditors on 13 May 2015.

Funding

Since March 2015 the company has kept the Mt Kare Au-Ag Project assets on a secured, care and maintenance basis and continued to advance geological studies, pending the outcome of the judicial process into licence renewal. Funding for this has been provided by a secured creditor.

Subject to a successful outcome from the judicial process, Indochine, with the assistance of its advisers, will evaluate various funding options available, which includes seeking to re-capitalise and re-list Indochine on the Australian Securities Exchange.

Summit acknowledges the forbearance of PNG creditors and re-states its commitment that, subject to a successful outcome from the judicial process and subsequent reinstatement of an exploration licence over the Mt Kare project and either the recapitalisation of Indochine or the securing of alternative funding for Summit, it will honor amounts owing to Summit creditors in full.

Future Exploration Strategy

Drilling to date at Mt Kare has not exceeded 350m below natural surface. As previously announced future exploration at Mt Kare is more likely to focus on gaining underground access via an exploration Adit. The Adit will allow optimum placement of the drilling platforms, enable multiple rigs to work simultaneously and reduce the number of days lost due to the weather.

One of the primary objectives is to find the source of the Mt Kare mineralization, particularly the high grade Western Roscoelite Zone and the Black Zone which are believed to form from very deep underground. Drilling from underground will lead to more accurate definition of the shape, direction and plunge of the mineralization and facilitate a larger exploration program to be completed in a shorter time frame than if drilled from the surface.

Re-engagement with Key Stakeholders

Indochine, subject to obtaining a successful outcome from the judicial process, is fully committed to advancing the Mt Kare Au-Ag Project. Historically, Indochine and Summit has worked together collaboratively with all key stakeholders and are looking forward to re-engaging with the PNG Government, the Mineral Resources Authority and other key government agencies to advance the Mt Kare Au-Ag Project

Change of Address

The address of Indochine has now changed to the following:

Street Address

Indochine Mining Limited (Subject to Deed of Company Arrangement)

C/- KPMG Australia
235 St George's Terrace
Perth, WA 6000
Australia

Phone: +61 8 9263 7171
Fax: +61 8 9263 7129

Postal Address

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Perth, WA 6000
Australia

For and on behalf of the Company.

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