

Further High Grade Gold Mineralisation Intersected in Bonanza Zones at Mt Kare Gold/Silver Deposit PNG

Highest grade intercepted was 1 metre at 58 g/t gold

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Indochine Mining Limited (ASX: IDC) ("Indochine") is pleased to report further high-grade gold mineralisation from the first four drill holes targeting the Western Roscoelite Bonanza Zone (WRZ) at the company's 1.8 M oz Au Mt Kare Gold-Silver Project in Papua New Guinea.

The WRZ contains two of three Bonanza Zones that Indochine is exploring through a 3,000 metre diamond drilling programme at the project. High-grade assay results have been returned from the first four drill holes which continue to demonstrate the significant potential of the Bonanza Zones.

Highlights include 14 m at 15.3 g/t gold from 36 m down hole, including 7 m at 23 g/t gold. The highest grade intercepted was 1 metre at 58 g/t gold.

Indochine's technical consultant Mr Tony Burgess commented: "The results are very encouraging as they help target the new drill holes at the possible location of the feeder zones to more bonanza targets. As exploration continues, these results again confirm that Mt Kare is a similar mineralised system to the nearby 28 million ounce Porgera gold mine."

Mineralisation occurs around small intrusive bodies in what is interpreted as the hanging wall of a steeply north dipping fault zone. The high grade (>70 grams x metres) mineralised zone (shown in Figure 2) has a vertical extent of around 50 metres. These results indicate more potential along strike of the fault, which is currently being drill tested.

Four holes were drilled at various angles towards the south to intersect the bonanza target identified in historical hole MK97-05 (20.5 m at 444 g/t gold, 164 g/t silver). Higher grade mineralisation is predicted to occur along a fault zone trending east-west.

Results indicate more potential along strike, on the interpreted intersection with another known mineralised fault, possibly with an associated 'feeder' zone. This target is being drill tested at present.

Best results:

14 m at 15.3 g/t gold, 9 g/t silver from 36 m down hole:

- Including 7 m at 22.9 g/t gold and 14 g/t silver
 - Including 1 m at 57.7 g/t gold and 19 g/t silver in **Drill hole 188SD13**.

26 m at 6.7 g/t gold, 5 g/t silver from 25 m down hole:

- Including 5 m at 10 g/t gold and 8 g/t silver
 - Including 7 m at 11.7 g/t gold, 7 g/t silver in **Drill hole 187SD13**.

15m at 5.7 g/t gold, 7 g/t silver from 20 m down hole:

- **Within 33 m at 3.7 g/t gold, 16 g/t silver from 2 m down hole**
- Including 8 m at 8.0 g/t gold, 6 g/t silver; and
 - Including 7 m at 11.7 g/t gold, 7 g/t silver in **Drill hole 186SD13**.

Indochine's Chief Executive Officer Stephen Promnitz added: "These results are pleasing and will help to improve the overall grade of the Mt Kare project, thus improving the overall economics of the project. Our priority at this time is to continue drilling in the Bonanza Zones before defining a larger mineral resource later in the year."

Background

A distinguishing feature of the Mt Kare deposit is high grade gold zones, some at bonanza grades.

Three bonanza zone targets have been identified at Mt Kare from past drilling by consultant geologist Tony Burgess, who spent over 10 years as the Senior Resource Geologist at the nearby world-class Porgera gold mine. The definition of bonanza zone resources at Porgera was instrumental in the development of that mine and similar zones will substantially improve the grade and economics of the Mt Kare project.

The first bonanza zone was confirmed in results from 6 holes drilled into the Black Zone (BZ) bonanza target, with 21 m at 34 g/t gold including 5 m at 105 g/t gold, as released on 25 February 2013. Prior BZ bonanza intercepts include 18 m at 100 g/t gold.

The grades in drill holes 186SD13 to 188SD12 are attractive intersections and the results indicate more potential along strike. The increased geological understanding from drilling these holes suggests other zones with bonanza gold grades along east-west trending structures throughout the deposit.

Drilling is underway on the interpreted intersection with another known mineralised fault, possibly with an associated 'feeder' zone. Drilling is planned further east on the same east-west trending structure.

Results

| Hole | From (m) | To (m) | Interval (m) | Au g/t | Ag g/t | Domain |
|---|--------------|--------------|--------------|-------------|----------|--------|
| 186SD13 <i>incl.</i> <i>incl.</i> <i>incl.</i> <i>incl.</i> | 2.00 | 35.00 | 33 | 3.7 | 16 | WRZ |
| | 2.00 | 18.00 | 16.00 | 2.0 | 29 | |
| | 6.00 | 10.00 | 4.00 | 3.7 | 89 | |
| | 20.00 | 35.00 | 15.00 | 5.7 | 7 | |
| | 23.00 | 31.00 | 8.00 | 8.0 | 6 | |
| | 44.00 | 55.00 | 11.00 | 1.0 | 2 | |
| 187SD13 <i>incl.</i> <i>incl.</i> <i>incl.</i> | 2.00 | 17.00 | 15.00 | 2.0 | 17 | WRZ |
| | 20.00 | 22.00 | 2.00 | 12.1 | 10 | |
| | 25.00 | 51.00 | 26.00 | 6.7 | 5 | |
| | 25.00 | 30.00 | 5.00 | 10.0 | 8 | |
| | 36.00 | 51.00 | 15.00 | 8.0 | 7 | |
| | 36.00 | 43.00 | 7.00 | 11.7 | 7 | |
| | 94.00 | 97.00 | 3.00 | 1.1 | 0 | |
| 188SD13 <i>incl.</i> <i>incl.</i> | 36.00 | 50.00 | 14.00 | 15.3 | 9 | WRZ |
| | 36.00 | 43.00 | 7.00 | 22.9 | 14 | |
| | 47.00 | 48.00 | 1.00 | 19.7 | 14 | |
| 189SD13 | 39.00 | 42.00 | 3.00 | 3.1 | 2 | WRZ |
| | 46.00 | 47.00 | 1.00 | 2.5 | 2 | |
| | 50.00 | 51.00 | 1.00 | 2.6 | 1 | |

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

Table 1: Assays from reported drill holes.

Location of Results

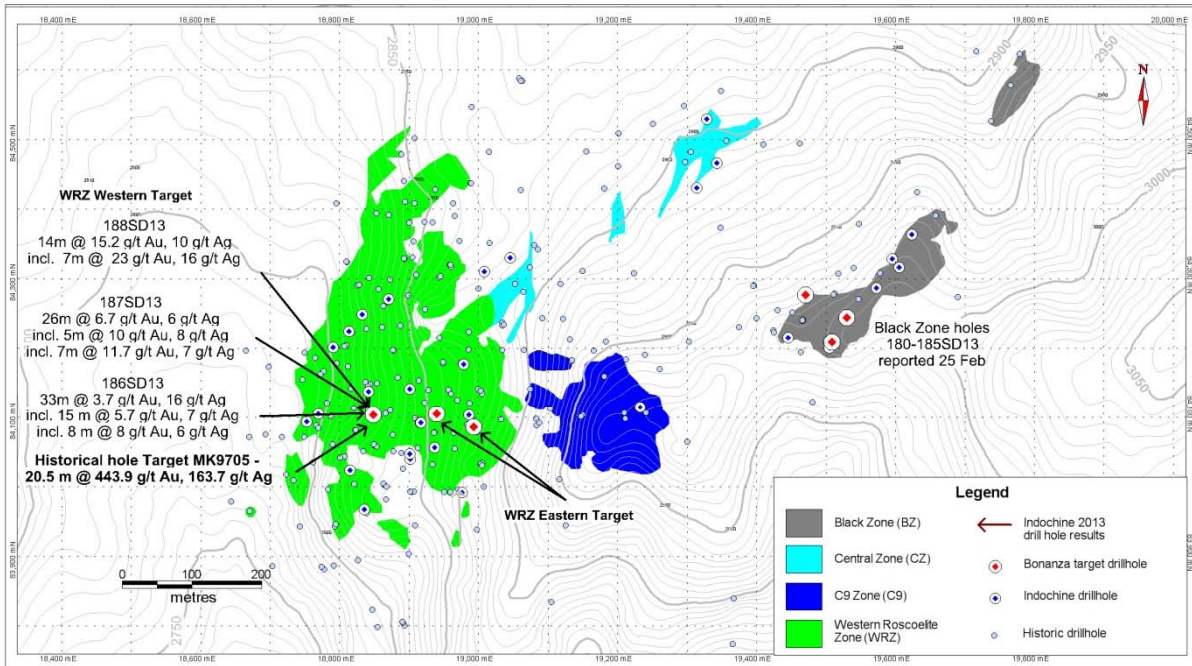


Figure 1: Mt Kare Resource Plan with the locations of the WRZ bonanza drill holes.

| Mt Kare Local Plane Grid | | | | | | | |
|--------------------------|------|---------|----------|------|---------|-----|-------|
| Hole | Zone | Easting | Northing | RL | Azimuth | Dip | Depth |
| 186SD13 | WRZ | 18845 | 84099 | 2829 | 180 | -50 | 100 |
| 187SD13 | WRZ | 18845 | 84099 | 2829 | 180 | -60 | 103.1 |
| 188SD13 | WRZ | 18845 | 84099 | 2829 | 180 | -70 | 120.3 |
| 189SD13 | WRZ | 18845 | 84099 | 2829 | 180 | -85 | 139.7 |

Table 2: Collar location of the drill holes reported in this announcement.

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.

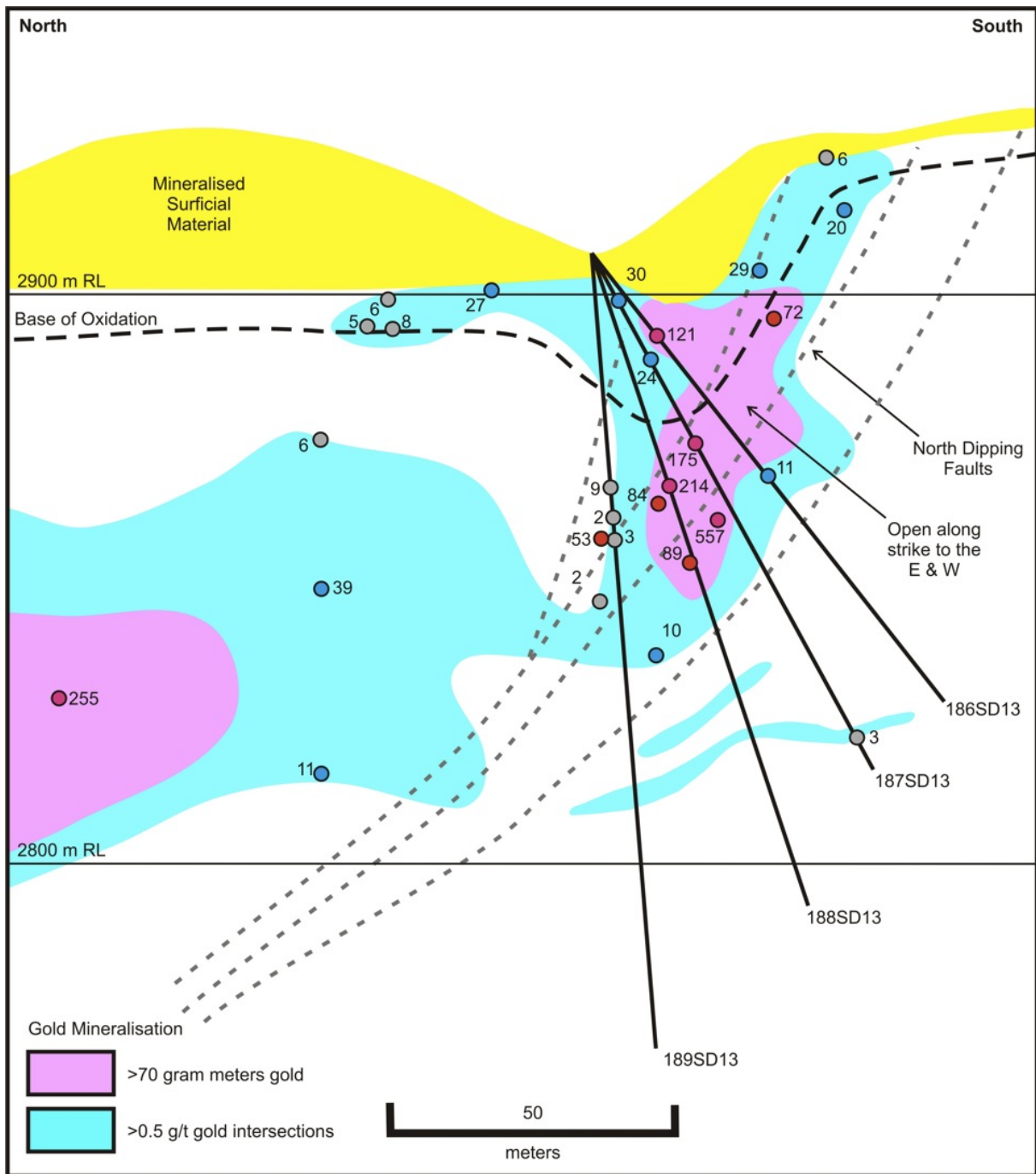


Figure 2: North-south cross section through the 186SD13-189SD13 holes, showing the gram-metre distribution as points and outlines with the interpreted faults.

About Indochine Mining Limited

Bonanza Gold Drives 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.

The bonanza gold zone concept was confirmed in assays in February 2013 with 21 m at 34 g/t gold including 5 m at 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 Indicated and Inferred JORC Mineral Resource of 1.8 Moz at 1.9 g/t gold in 28 Mt, increasing the current high grade zone of 700,000 ounces at 3.7 g/t gold, 30 g/t silver in 6 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 500,000 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. Tony identified the bonanza zones at Mt Kare and considers they have a 'similar 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 already strong economics; and
- A landowner investigation study and achieved overwhelming local support.

The company aims to:

Target drilling further high grade (bonanza) zones to increase the overall grade and project economics further;

Upgrade the resource in mid-2013; and

Proceed towards a Feasibility Study to trigger the application for mining leases, targeting production in 2015.

Heading up the team is George Niumataiwalu, a mining engineer with an MBA, and an MPA from Harvard. George previously delivered a landowner agreement, a 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.

Stephen Promnitz, Chief Executive Officer, **Indochine Mining Limited**

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