



INDOCHINE MINING LIMITED

ASX:IDC

ACN 141 677 385

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Company Announcements Office
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Indochine Finalises c.2 Million Ounce Gold/Silver Acquisition

Indochine Mining Limited (ASX: IDC) (*Indochine*) has finalised the acquisition of the circa 2 million ounce Mt Kare Gold/Silver Project in Papua New Guinea (PNG). A \$16 million private placement of shares at A\$0.30 per share to undertake the Bankable Feasibility Study over the project was oversubscribed and shareholders will be offered a Share Purchase Plan at the same price.

Transaction:

The cost of the acquisition, inclusive of fees, will be approximately \$27 million payable in cash (37%) and Indochine shares (63%). Indochine will assume ownership of Summit Development Limited (*Summit*), the PNG company that owns the Mt Kare exploration license EL1093. The Summit shareholders, a PNG based family, will become long term Indochine shareholders. The transaction is subject to shareholder approval which will be sought at a general meeting in the coming weeks.

Capital Raising:

Indochine's private placement, in which it offered 53.75 million shares at A\$0.30 a share to raise A\$16 million (the maximum under the 15% rule), has been significantly oversubscribed. It is expected that 53.75 million Indochine shares will be issued for quotation on 12 April 2011.

A Share Purchase Plan (SPP) will enable existing shareholders to subscribe for up to A\$15,000 of Indochine shares at A\$0.30 per share, with full details announced soon.

Work Program:

Indochine and Summit will immediately commence a Bankable Feasibility Study.

Milestones will be:

- JORC-code compliant resource statement, in 6 months
- Pre-Feasibility Study in 12 months, and
- Bankable Feasibility Study in 18 months.

The feasibility study will cover metallurgy, environment, ethnography and a social mapping study.

"This is a significant step for Indochine, catapulting it into developer status", said the CEO Stephen Promnitz.

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“The combination of Summit’s vision in securing the leases, with landowner support, together with Indochine’s international financial support, will enable the development of Mt Kare for the benefit of all stakeholders.”

“Landowners have been waiting for over 20 years for Mt Kare to be developed, which is why the majority supported Summit to develop the project at two public hearings, and Summit’s lease was then approved by government authorities”, said Mr Promnitz.

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Background:

Indochine Mining Limited (ASX:IDC) is an ASX-listed South East Asia/South West Pacific focused, gold-copper exploration and development company. In Cambodia, it has the largest mining property holding in a country with limited modern exploration, within a region known for world-class gold and copper deposits. The objective is to replicate the successes of other major resource companies in the region.

In Papua New Guinea (PNG), famous for giant gold and copper deposits, Indochine has acquired a major gold resource in PNG at Mt Kare, which has had prior expenditure of approximately A\$60 million, including approximately 350 drillholes. A foreign, non-JORC code compliant resource statement was prepared in 2007 over the Mt Kare Gold Project within exploration license EL1093, 20 kilometres southwest of Barrick’s multi-million ounce Porgera gold mine. This foreign resource statement is the most recent, relevant assessment of this significant deposit.

A Canadian NI 43-101 resource statement was prepared by Snowden in August 2007 based on 340 drillholes, which provided an indicated and inferred resource of 1.7 million ounces of gold in 24.5 million tonnes at 2.1 grams per tonne gold or 1.9 million ounces of gold equivalent, at a 1 gram/tonne gold equivalent (AuEq) cutoff grade. At a 3 gram/tonne AuEq cutoff grade, there is a high grade zone of 740,000ozs in 4.6 million tonnes at 5 grams/tonne gold (Indicated Resource). Details are provided in the tables below and in the Company’s announcement of 4 March 2011. A waiver was provided from the ASX listing rule 5.6 to release this foreign resource statement consistent with the Companies Update 11/07 and 05/04.

The Company is excited as to the future potential of the project given that the previous resource statement was calculated using a cut-off grade based on a gold price of US\$300 per ounce.

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Indochine currently has 361.4 million shares on issue (before the capital raising), of which 81.9 million are escrowed until December 2012.

Foreign Resource Statement (NI43-101, non-JORC) Mt Kare

Snowden's 21 June 2007 Mineral Resources reported at various cut-off grades							
Category	Cut-off Equivalent (AuEq g/t)	Tonnage (,000 t)	Gold Grade (g/t Au)	Silver Grade (g/t Ag)	Contained Gold (,000 oz)	Contained Silver (,000 oz)	Contained Gold Equivalent (AuEq koz)
Indicated	1	18,830	2.31	17.31	1,396	10,479	1,588
	2	8,559	3.66	22.51	1,008		
	3	4,587	5.04	25.37	743	3,741	812
Inferred	1	5,753	1.56	9.53	288	1,763	320
	2	1,331	2.77	11.77	119		
	3	476	3.85	11.22	59	172	
Total	1	24,583	2.13	15.49	1,684	12,242	1,908

Mineral Resources, under National Instrument NI 43-101, were prepared by Mr Robert Sim of Longview Technical Group. Ms. Lynn Olssen MAUSIMM (CP), Senior Consultant and full time employee of Snowden approved the resource estimation, the resources estimation procedure and QAQC data. Lynn Olssen is a Qualified Person as defined by NI43-101.

The resources have been tabulated for a gold equivalent grade (AuEq) of 54.55 silver ounces per 1 gold ounce, based on a gold price of US\$300/oz and a silver price of US\$5.50/oz. Numbers not in italics have been previously reported; numbers in italics have been calculated.

Resource Statement is extracted from original report titled "Buffalo Gold Limited: Mt Kare Technical Report Update, August 2007 (NI43-101, Snowden)" available publicly on www.SEDAR.com.

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 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).

After review of the Foreign Resource Statement report titled; "Buffalo Gold Limited: Mt Kare, Technical Report Update, 2007" which was prepared as a National Instrument 43-101 (NI 43-101) Technical Report, and the included statements of qualified persons relating to the accuracy of the report, David Meade accepts responsibility for the accuracy of the information supplied herein.

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