

Quarterly Activities Report For Quarter Ended 30 June, 2013

HIGHLIGHTS AND ACHIEVEMENTS

Company Announcements Office
Australian Securities Exchange
31 July, 2013

Mt Kare Gold/Silver Project New Focus on High Grade Zones Rapid Underground Development



ASX:IDC

Directors

Ian W Ross

Chairman & Non-Executive Director

Gavan H Farley

Non-Executive Director

Dr Michael Leggo

Non-Executive Director

Management

Stephen Promnitz

Chief Executive Officer

George Niumataiwalu

PNG Country Manager

Anthony W Burgess

Technical Geological Consultant

Ashok Jairath

Chief Financial Officer

Major Shareholders

| | |
|---------------------|-------|
| Baker Steel Capital | 11.0% |
| Genesis Asset Mgmt | 9.9% |
| BlackRock | 6.6% |
| Capital Group | 4.6% |

Corporate

| | |
|----------------------|---------|
| Market Cap (30/6/13) | ~A\$50M |
| Shares Issued | 842M |
| Cash (30 June 2013) | A\$1.8M |

Resource Update - High Grade Zones Confirmed

A JORC Resource Update:

- More than doubled the higher confidence Measured & Indicated Resource category to 1.53 Moz gold (in 28.4 Mt at 1.7 g/t Au, 17 g/t Ag) comprising 73% of total Mineral Resource;
- Mineral Resource: 43 Mt at 1.5 g/t Au for 2.1 Moz Au, 18 Moz Ag; 2.5 Moz gold equivalent; a 350,000 oz increase in gold;
- High grade zones confirmed: 400,000 oz with nearly 50% increase in grade to 5.4 g/t Au in 2.3 Mt within the WRZ and BZ zones, with alternative modelling showing 10 g/t Au;
- High grade zones offer a rapid underground mining option at substantially lower capital costs than the PFS;
- Includes 380,000 oz Au of near-surface oxidised material.

Letters of Intent - Feasibility & Mine Development

- Letters of Intent - the first step in rapid low cost project development and underground mining
- Aust Contract Mining (ACM) - experienced underground miner
- GR Engineering Services (GR) - experienced in feasibility studies, design & EPC of treatment plants
- Mining planning and scoping works currently underway

Licence Renewal - Support for Mine Development

- Exploration licence renewed with government support for mining

High Grade Gold Results Continue

Highlights include:

- 14 m at 20.4 g/t gold from surface; and
- 48 m at 3.6 g/t gold from 68 m down hole,
Including 12 m at 6.1 g/t gold (drill hole 206SD13).
- 37 m at 3.3 g/t gold from 93 m down hole,
Including 7 m at 7.3 g/t gold; and
- 46 m at 3.4 g/t gold from 172 m down hole; and
Including 6 m at 7.6 g/t gold (drill hole 205SD13).

Corporate Summary

Cash position: \$1.8 million at 30 June 2013

Resource Update -
High Grade Zones
Confirmed

The total Mineral Resource is estimated at 42.5 Million tonnes (Mt) grading 1.54 g/t gold (Au) and 13.5 g/t silver (Ag) for 2.11 Million ounces gold (Moz) or 2.45 Moz gold equivalent⁽¹⁾, a 20% increase in gold ounces (350,000 oz) compared to the prior 2011 resource estimate (Table 1). This is based on 454 diamond drill holes (73,639m)

A key outcome from the latest resource estimate is a significant increase in the higher confidence Measured and Indicated Resource categories to 28.4 Mt at 1.68 g/t Au and 17.2 g/t Ag for a total of 1.53 Moz gold (1.82 Moz gold equivalent⁽¹⁾). This represents a 120% increase in gold ounces compared to the Indicated category of the prior 2011 resource estimate (Table 1 and Figure 1).

Two high grade zones were confirmed with 400,000 ounces of gold at 5.4 g/t from the recently explored higher grade WRZ and BZ zones (Figure 2). Alternative modelling of the two high grade zones suggested 10 g/t Au for 500,000 ounces gold equivalent in 40% less tonnes using uncapped analytical results, at a cut-off grade of 2.0 g/t Au (instead of 0.5 g/t Au). At a higher cutoff grade of 6.0 g/t Au, initial modelling suggests grades of nearly 20 g/t Au.

This allows for the rapid development of an exploration adit to further drill high grade zones and fast-track development at lower capital costs, with an improved return on investment in comparison with last year's PFS, similar to how the adjoining Porgera gold mine started.

The minor reduction in the global grade of the total Mineral Resource is due to the inclusion of larger volumes of lower grade material near the fringes of the resource zones and the tight domains around high grade zones which restrict the positive influence of high grades.

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 (Combined) | 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 |

Notes
 1) Gold equivalent grades (Au Eq) are calculated based on a gold price of US\$1200/oz and a silver price of US\$22/oz, or 54.55 silver ounces | gold ounce; this does not consider metallurgy recovery factors.
 2) Cut-off grades and capping: A lower cut-off of 0.5 g/t Au was used based on the data distribution. Capping strategy utilised: In low g domains, analyses capped at 30 g/t Au, 250 g/t Ag; Upper Zone and high grade domains at 50 g/t Au, 500 g/t Ag.
 3) Material classified as Measured and Indicated Resources are wire framed gold mineralisation based on the 2013 block model considering average distance between drilling of 25 m and 50 m among other criteria. It is considered that this category material has a high probability being economically extracted, including comparisons with a previously modelled PFS open pit shell based on various assumptions including prior 2011 resource. Mineralisation beyond an average distance between drilling of 80 m was not included within the lowest category Inferred Resource.
 4) Rounded estimates are used, which may cause apparent discrepancies in totals. Significant figures do not imply precision.
 5) The resources have been reported in compliance with the JORC (2004) code.

Full details of the Mineral Resource Statement in "Explanatory Notes to the Resource Update of Indochine's MtKare Project"

The resource statement was based on a new geological and structural model which incorporated re-logging of 170 drill holes. This was overviewed by Tony Burgess, who was able to add a decade of geological experience gained at the adjoining Porgera gold mine.

Letters of Intent - Feasibility & Mine Development

Conditional Letters of Intent were issued to appoint:
Australian Contract Mining Pty Ltd (ACM), a specialist underground mining contractor, for the project management and mining; and
GR Engineering Services Limited (ASX:GNG) for the project management, feasibility study, development, engineering, construction and underground mining services.

The planning and Scope of Work is currently under development. A number of conditions precedent will be required prior to these contracts becoming operational, which includes optimisation and planning leading to a Scope of Work, staged financing, staged permitting involving the regulatory authorities and local communities, together with standard development procedures and board approvals.

The current focus is to extend these high grade zones as they allow for a rapid, low cost underground mining option at significantly reduced capital costs from those announced in the company's 2012 pre-feasibility study.

Licence Renewal

The exploration licence EL1093 has been renewed over the company's Mt Kare Gold/Silver Project, PNG, following recommendations from the Mining Advisory Council. EL1093 is held by Indochine's wholly owned subsidiary, Summit Development Limited.

PNG's Minister for Mining, Mr Byron Chan, produced a media release regarding the renewal of the licence. He was pleased with the company's approach with local communities, especially the comprehensive Landowner Investigation Study (LIS), undertaken in conjunction with the advanced exploration and development programme. He stated his, and the government's, support for development and mining at Mt Kare. The Prime Minister, Mr O'Neill, made similar comments of support on the floor of parliament in July.

Landowner Investigation Study

The Landowner Investigation Report (LIS) has been completed with the proper identification of customary landowners using customary methods. Ground identification of claims can now be undertaken to complete a final Landowner Investigation Report. These reports and related discussions are considered important for enabling the unlocking of the project's potential, demonstrated by the support of

local communities, government departments and local and federal politics

High Grade
Drill Results

Western Roscoelite Zone (WRZ)

Highlights include:

14 m at 20.4 g/t gold from surface; and
 48 m at 3.6 g/t gold from 68 m down hole,
 Including **12 m at 6.1 g/t gold** (drill hole 206SD13).
 37 m at 3.3 g/t gold from 93 m down hole,
 Including **7 m at 7.3 g/t gold**; and
 46 m at 3.4 g/t gold from 172 m down hole; and
 Including **6 m at 7.6 g/t gold** (drill hole 205SD13).

Drill hole 205SD13 has extended the known high grade gold mineralisation down dip by up to 65 m in this part of the WRZ North zone and confirmed the continuity of the zone. Drill hole 206SD13 has extended the high grade gold mineralisation up dip (Figure 3).

Recent drilling has targeted extensions to known mineralisation and to provide better resource definition. Drill holes 205SD13 and 206SD13 are located in the WRZ North and targeted down dip extensions to high grade zones. Both high grade zones are within 150 metres of the surface of the hillside and are suitable for a rapid, low cost underground mining option, which would significantly improve the robust economics of Mt Kare. Excellent results over thick mineralised intervals were returned for all six Bonanza Holes (706 m) in the Black Zone (BZ) (see Table 2).

| | Lower Cut-off Au grade (g/t) | Mt | Gold g/t | Gold oz | Silver g/t | Silver Moz | Gold Equivalent ⁽¹⁾ Oz |
|-----------------------------------|------------------------------|------|----------|---------|------------|------------|-----------------------------------|
| Top Cap 50g/t Au; 500g/t Ag | 0.5 | 2.31 | 5.4 | 400,000 | 36 | 2.7 | 449,000 |
| Uncapped | 0.5 | 2.31 | 6.6 | 493,000 | 49 | 3.3 | 553,000 |
| Uncapped | 2.0 | 1.43 | 10.1 | 466,000 | 52 | 2.2 | 507,000 |

Table 2: The effect of different modelling parameters on the two high grade zones (BZ & WRZ North)

Exploration - Cambodia

Indochine holds two packages of exploration leases in Cambodia with potential for the discovery of large gold and copper deposits. Exploration has been conducted over these two large project areas - Kratie and Ratanakiri - spanning approximately 4000 km².

Three large targets have been identified in the Ratanakiri area, in the north east of Cambodia. These targets, Kham Darang, Veal Thom and Barkham, indicate gold and copper mineralisation associated with altered porphyry intrusions in metasediments and lesser volcanics.

The company is currently reviewing different opportunities for the management of these exploration properties.

Corporate

Cash & Shares on Issue

The cash position was \$1.8 million at 30 June 2013 (Appendix 5B).

The Company is in the process of finalising funding for ongoing project work now that it has met the key milestones of a resource update, licence renewal and the confirmation of considerable resources in high grade zones at the Mt Kare project.

The issued capital of Indochine is 841,522,946 fully paid ordinary shares.

Stephen Promnitz

Chief Executive Officer, Indochine Mining Limited

Company:

Indochine Mining Limited
Stephen Promnitz, CEO
+61 2 8246 7007
info@indochinemining.com

Media:

Six Degrees Investor Relations
Fergus Ross
+61 2 9230 0661

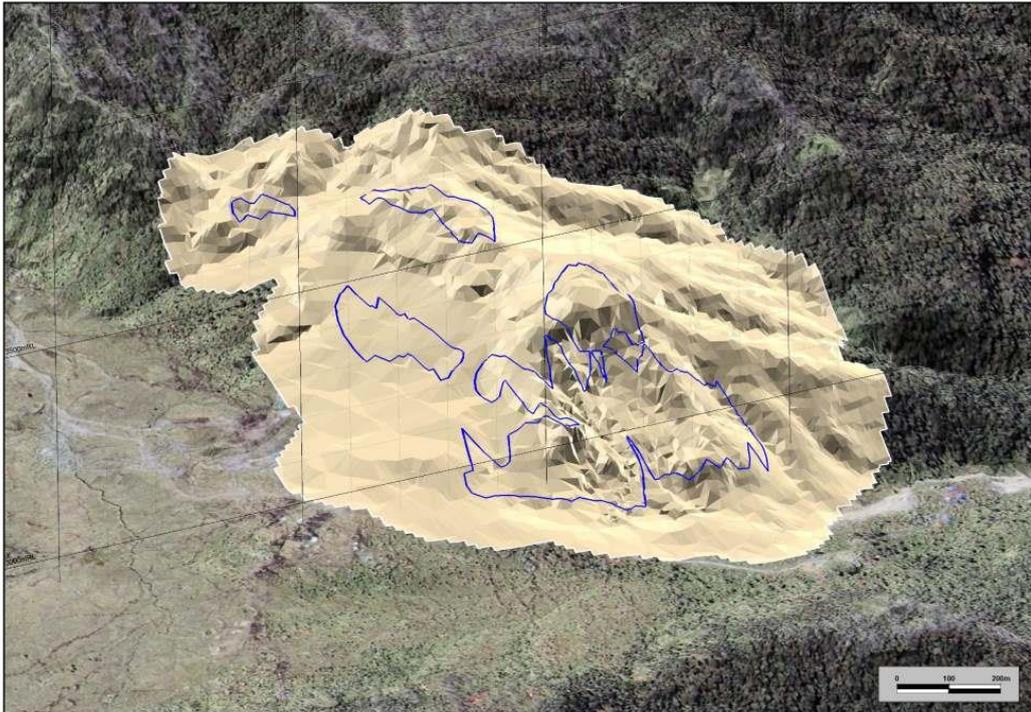


Figure 1: Mt Kare resource model zones (blue outlines) within the Upper Zone shape (gold colour), looking south east. Drill locations in these areas shown in the Figure 3.



Figure 2: View of the Mt Kare bonanza/high grade zones that are the focus of ongoing evaluation

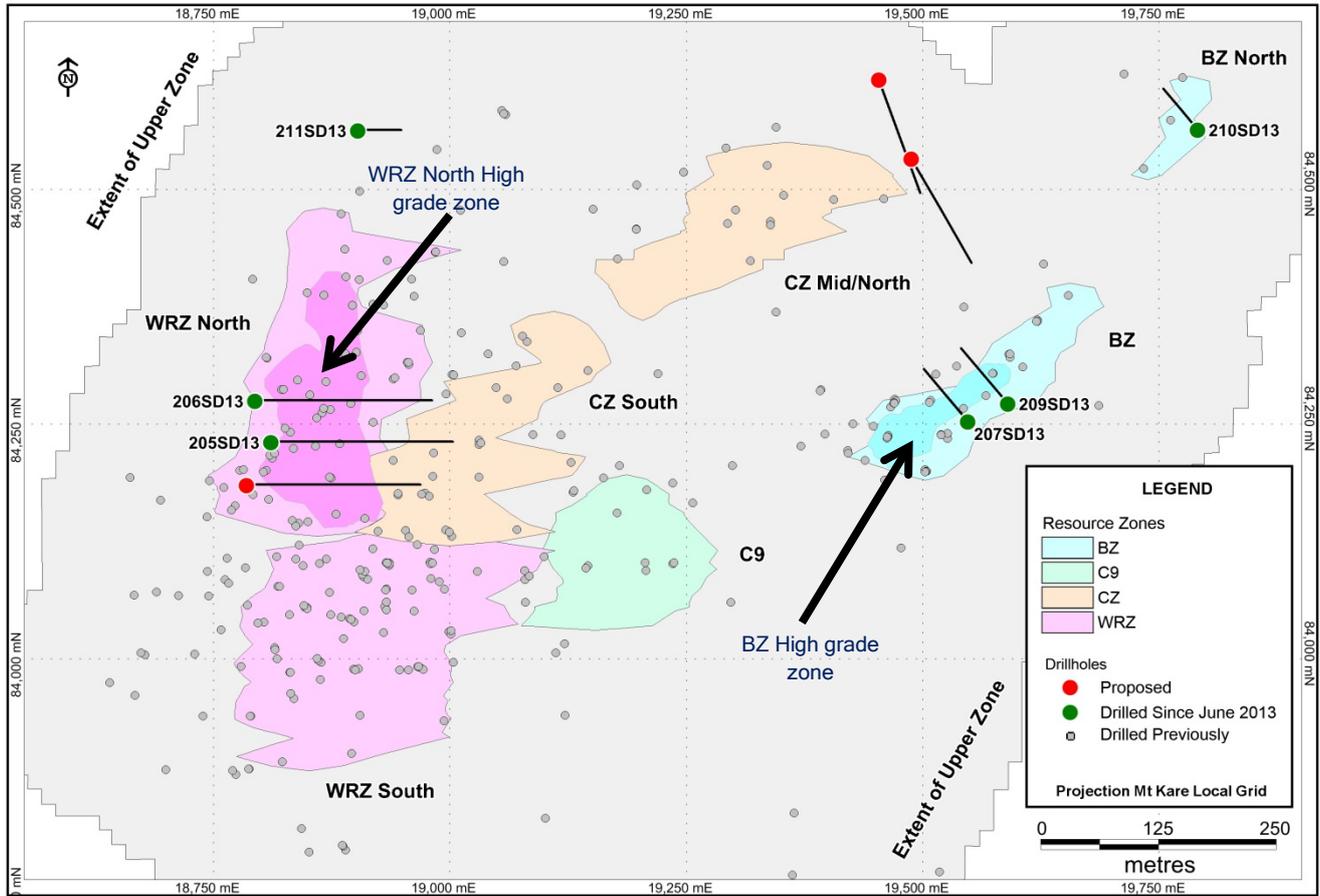


Figure 3: Mt Kare resource model zones (blue outlines from Figure 1) with recent drill locations in these areas. The darker purple is the WRZ high grade zone and the darker cyan zone is the BZ high grade.

| Hole | From (m) | To (m) | Interval (m) | Au g/t | Ag g/t | Domain | |
|---------|----------|--------|--------------|--------|--------|--------|-----|
| 205SD13 | 29.00 | 59.00 | 30.00 | 3.1 | 14 | WRZ | |
| | 63.00 | 87.00 | 24.00 | 2.3 | 19 | | |
| | 93.00 | 130.00 | 37.00 | 3.3 | 15 | | |
| | incl | 104.00 | 111.00 | 7.00 | 7.3 | | 32 |
| | incl | 119.00 | 122.00 | 3.00 | 8.8 | | 8 |
| | | 134.00 | 141.00 | 7.00 | 1.2 | | 6 |
| | | 172.00 | 218.00 | 46.00 | 3.4 | | 11 |
| | incl | 183.00 | 186.00 | 3.00 | 7.0 | | 20 |
| | incl | 210.00 | 216.00 | 6.00 | 7.6 | | 14 |
| | | 221.00 | 232.00 | 11.00 | 1.3 | | 5 |
| | incl | 210.00 | 213.00 | 3.00 | 10.1 | | 21 |
| 206SD13 | 0.00 | 14.00 | 14.00 | 20.4 | 42 | WRZ | |
| | incl | 0.00 | 3.00 | 3.00 | 88.9 | | 51 |
| | | 22.00 | 64.00 | 42.00 | 2.1 | | 28 |
| | incl | 36.00 | 39.00 | 3.00 | 9.3 | | 230 |
| | | 68.00 | 116.00 | 48.00 | 3.6 | | 55 |
| | incl | 81.00 | 93.00 | 12.00 | 6.1 | | 54 |
| | incl | 110.00 | 112.00 | 2.00 | 11.0 | | 128 |
| | | 121.00 | 137.00 | 16.00 | 0.9 | | 6 |
| | 155.00 | 158.00 | 3.00 | 0.7 | 6 | | |
| | 202.00 | 206.00 | 4.00 | 1.4 | 9 | | |

Table 3: Assays from reported drill holes

| | | Mt Kare Local Plane Grid | | | | | |
|---------|------|--------------------------|----------|---------|---------|-------|-------|
| Hole | Zone | Easting | Northing | RL | Azimuth | Dip | Depth |
| 205SD13 | WRZ | 718921 | 9384406 | 2,897.0 | 90.0 | -46.0 | 277.4 |
| 206SD13 | WRZ | 718904 | 9384450 | 2,902.0 | 90.0 | -47.0 | 275.3 |

Table 4: Location of reported drill holes

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.

Appendix 5B

Mining exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/2001, 01/06/10.

Name of entity

INDOCHINE MINING LIMITED

ABN

16 141 677 385

Quarter ended ("current quarter")

30 June 2013

Consolidated statement of cash flows

| | Current quarter \$A'000 | Year to date (12 months) \$A'000 |
|---|----------------------------|-------------------------------------|
| Cash flows related to operating activities | | |
| 1.1 Receipts from product sales and related debtors | | |
| 1.2 Payments for (a) exploration & evaluation | (4,479) | (28,533) |
| (b) development | - | - |
| (c) production | - | - |
| (d) administration | (706) | (2,945) |
| 1.3 Dividends received | - | - |
| 1.4 Interest and other items of a similar nature received | 16 | 78 |
| 1.5 Interest and other costs of finance paid | - | - |
| 1.6 Income taxes paid | - | - |
| 1.7 Other (provide details if material) | - | - |
| Net Operating Cash Flows | (5,169) | (31,400) |
| Cash flows related to investing activities | | |
| 1.8 Payment for purchases of: (a) prospects | - | - |
| (b) equity investments | - | - |
| (c) other fixed assets | (126) | (200) |
| 1.9 Proceeds from sale of: (a) prospects | - | - |
| (b) equity investments | - | - |
| (c) other fixed assets | - | - |
| 1.10 Loans to other entities | - | - |
| 1.11 Loans repaid by other entities | - | - |
| 1.12 Other (provide details if material) | - | - |
| Net investing cash flows | (126) | (200) |
| 1.13 Total operating and investing cash flows (carried forward) | (5,295) | (31,600) |

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

| | | | |
|------|--|----------------|-----------------|
| 1.13 | Total operating and investing cash flows (brought forward) | (5,295) | (31,600) |
| | Cash flows related to financing activities | | |
| 1.14 | Proceeds from issues of shares, options, etc. | 3,850 | 33,916 |
| 1.15 | Proceeds from sale of forfeited shares | - | - |
| 1.16 | Proceeds from borrowings | - | - |
| 1.17 | Repayment of borrowings | - | - |
| 1.18 | Dividends paid | - | - |
| 1.19 | Other (capital raising costs) | (347) | (2,424) |
| | Net financing cash flows | 3,503 | 31,492 |
| | Net increase (decrease) in cash held | (1,792) | (108) |
| 1.20 | Cash at beginning of quarter/year to date | 3,481 | 1,808 |
| 1.21 | Exchange rate adjustments to item 1.20 | 68 | 57 |
| 1.22 | Cash at end of quarter | 1,757 | 1,757 |

Payments to directors of the entity and associates of the directors
Payments to related entities of the entity and associates of the related entities

| | | Current quarter \$A'000 |
|------|--|----------------------------|
| 1.23 | Aggregate amount of payments to the parties included in item 1.2 | 31 |
| 1.24 | Aggregate amount of loans to the parties included in item 1.10 | |

1.25 Explanation necessary for an understanding of the transactions

The Company is in the process of finalising funding for on going project work.

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

| |
|--|
| |
|--|

2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

| |
|--|
| |
|--|

+ See chapter 19 for defined terms.

Financing facilities available

Add notes as necessary for an understanding of the position.

| | Amount available \$A'000 | Amount used \$A'000 |
|---------------------------------|-----------------------------|------------------------|
| 3.1 Loan facilities | | |
| 3.2 Credit standby arrangements | | |

Estimated cash outflows for next quarter

| | \$A'000 |
|--------------------------------|--------------|
| 4.1 Exploration and evaluation | 3,250 |
| 4.2 Development | |
| 4.3 Production | |
| 4.4 Administration | 500 |
| Total | 3,750 |

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.

| | Current quarter \$A'000 | Previous quarter \$A'000 |
|--|----------------------------|-----------------------------|
| 5.1 Cash on hand and at bank | 616 | 957 |
| 5.2 Deposits at call | 1,141 | 2,524 |
| 5.3 Bank overdraft | - | - |
| 5.4 Other | - | - |
| Total: cash at end of quarter (item 1.22) | 1,757 | 3,481 |

Changes in interests in mining tenements

| | Tenement reference | Nature of interest (note (2)) | Interest at beginning of quarter | Interest at end of quarter |
|-----|-----------------------|---|--|----------------------------------|
| 6.1 | | Interests in mining tenements relinquished, reduced or lapsed | | |
| 6.2 | | Interests in mining tenements acquired or increased | | |

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

| | Total number | Number quoted | Issue price per security (see note 3) (cents) | Amount paid up per security (see note 3) (cents) |
|--|--------------|---------------|---|--|
| 7.1 Preference *securities <i>(description)</i> | | | | |
| 7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions | | | | |
| 7.3 *Ordinary securities | 841,522,946 | 841,522,946 | n/a | n/a |
| 7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs | 55,000,000 | 55,000,000 | \$ 0.07 | \$ 0.07 |
| 7.5 *Convertible debt securities <i>(description)</i> | | | | |
| 7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted | | | | |
| 7.7 Options <i>(description and conversion factor)</i> | | | Exercise price | Expiry date |
| | 15,000,000 | | \$0.20 | 30/04/14 |
| | 25,000,000 | | \$0.20 | 30/09/14 |
| | 1,500,000 | | \$0.20 | 30/12/14 |
| | 5,000,000 | | US\$0.25 | 17/03/15 |
| | 4,000,000 | | \$0.20 | 30/12/15 |
| | 3,000,000 | | \$0.50 | 08/02/14 |
| | 500,000 | | \$0.50 | 02/03/14 |
| | 2,750,000 | | \$0.20 | 05/07/14 |
| 7.8 Issued during quarter | | | | |
| 7.9 Exercised during quarter | | | | |
| 7.10 Expired during quarter | 10,000,000 | | \$0.20 | 28/04/13 |
| 7.11 Debentures <i>(totals only)</i> | | | | |
| 7.12 Unsecured notes <i>(totals only)</i> | | | | |

+ See chapter 19 for defined terms.

Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 4).
- 2 This statement does give a true and fair view of the matters disclosed.

Sign here:


(Company Secretary)

Date: 31 July 2013

Print name: Ashok Jairath

Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 1022: Accounting for Extractive Industries* and *AASB 1026: Statement of Cash Flows* apply to this report.
- 5 Accounting Standards ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

+ See chapter 19 for defined terms.