

Bonanza Zone confirmed with 21m at over 1 ounce/tonne gold at Indochine's Mt Kare Gold/Silver Deposit, PNG

BONANZA RESULTS FROM THE BLACK ZONE ILLUSTRATE EXPLORATION UPSIDE

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Company Directors

Ian W Ross

Chairman & Non-Executive Director

Steve Gemell

Non-Executive Director

Gavan H Farley

Non-Executive Director

Management

Stephen Promnitz

Chief Executive Officer

George Niumataiwalu

PNG Country Manager

Anthony W Burgess

Technical Geological Consultant

Major Shareholders

BakerSteel Capital	10.2%
BlackRock	8.6%
Genesis Asset Mgmt	7.7%
Capital Group	5.0%

Corporate

Market Cap	A\$80-100M
Shares Issued	786.5M

Excellent Results for all six Bonanza Holes in Black Zone

- Excellent assay results received from all 6 holes (706 m).
- Best intersection includes:
 - 21 metres (m) at 33.8 grams/tonne (g/t) gold (over 1 ounce/tonne gold) within 49 m at 22.3 g/t gold;
 - Includes 5 m at 105 g/t gold, (3.4 ounces/tonne gold) with up to 600 g/t silver.
- Second major intersection of:
 - 7m at 35.2 g/t gold and 83 g/t silver;
 - Includes 29.9 m at 9.6 g/t gold and 55.2 g/t silver.
- All six holes intersected thick mineralised intervals.
- Significant mineralisation has been identified in current drilling of a bonanza zone within the WRZ Zone.
- Drilling results from WRZ zone expected in early March.

Indochine Mining Limited (Indochine) (ASX:IDC) is pleased to announce that it has received assay results from six drill holes totalling 706 metres. The results are part of the Company's continuing 1,300 metre drilling program at the Mt Kare precious metals project in Papua New Guinea (PNG).

The drilling program has confirmed that the targets host bonanza type mineralisation, with the results representing the first received from the Black Zone (BZ Zone).

Indochine's Non-Executive Chairman, Ian Ross, said: "These are very encouraging drilling results and confirm the fact that there is significant unlocked value in the previously identified bonanza zones at Mt Kare."

"Importantly, these results confirm the technical findings and interpretations of our highly experienced consulting geologist, Mr. Tony Burgess, who for 10 years was the Senior Resource geologist at the nearby world-class Porgera gold mine owned by Barrick Gold."

These results underpin the robust nature of the Mt Kare project, said the CEO.

“Particularly noteworthy is the fact that Mr. Burgess is very encouraged about the potential to discover more high grade gold, beneath the known mineralisation. This provides Indochine with further confidence that Mt. Kare is shaping up to be world-class deposit”, said Mr Ross.

Indochine’s Chief Executive Officer, Mr. Stephen Promnitz, added: “The Black Zone bonanza holes have returned some excellent intersections, as well as solid intervals of 4 to 5 g/t gold mineralisation.”

“Collectively, these results underpin the robust nature of the Mt Kare project. It is important to note that these results are from only one of the bonanza zone targets identified by the company”, said Mr Promnitz.

The drill program has confirmed bonanza type mineralisation previously intersected in two Indochine holes. The intersections in these holes, previously reported to ASX on 4 May and 19 October 2012, included:

- 4 metres (m) at 420 g/t gold, 170 g/t silver from 67 m down hole, within 17.7 m at 100 g/t gold in drillhole 122SD12, and
- 5m at 120.1 g/t gold, 116 g/t silver from 94 m down hole in drillhole 146SD12.

Holes 180SD12 and 181SD12 were oriented to test the extent of bonanza mineralisation to the NE of hole 122SD12. Drill hole 182SD12 was designed to test extensions to the SW of the bonanza grades in 146SD12, while holes 183SD12, 184SD13 and 185SD13 targeted the zone between the two bonanza grade intersections.

Best results were:

49 m at 22.3 g/t gold, 71 g/t silver from 63 m downhole

49 m at 22.3 g/t gold, 71 g/t silver from 63 m downhole;

Incl. 21 m at 33.8 g/t gold, 64 g/t silver;

Incl. 8 m at 73 g/t gold and 75 g/t silver;

Incl. 5 m at 105 g/t gold, >100 g/t silver in **Drillhole 183SD12.**

21 m at 13.6 g/t gold, 144 g/t silver, Incl. 7 m at 35.2 g/t gold, 83 g/t silver

21 m at 13.6 g/t gold, 144 g/t silver from 61 m downhole;

Within 29.9 m at 9.6 g/t gold, 55 g/t silver from 61 m downhole

Incl. 7 m at 35.2 g/t gold, 83 g/t silver in **Drillhole 185SD12**

21 m at 5.8 g/t gold, 70 g/t silver from 64 m downhole;

Incl. 8 m at 10.4 g/t gold, and 54 g/t Ag;

Incl. 1 m at 22.8 g/t gold, 26 g/t silver in **Drillhole 181SD12.**

A distinguishing feature of the Mt Kare deposit is the high grade gold zones (>100 g/t)

Three bonanza zones identified at Mt Kare

The BZ is an elongate breccia pipe along a contact

There is potential for other mineralised zones, within the BZ breccia pipe

Technical Background – Mt Kare Gold/Silver Project, PNG

One of the distinguishing features of the Mt Kare deposit is the presence of high grade gold zones, with high (>100 g/t) silver grades also present in the Black Zone, locally exceeding 1500 g/t silver.

Consultant geologist Tony Burgess, who spent over 10 years as the Senior Resource Geologist at the adjoining World-Class Porgera gold mine, has identified three bonanza zones at Mt Kare in Indochine and historical drilling. The definition of bonanza zone resources at Porgera was instrumental in the development of that mine and will substantially improve the already robust economics of the Mt Kare project.

The BZ is an elongate breccia pipe (Figure 1, Figure 2), developed along the contact of sandstone and limestone units in the northeast of the Mt Kare deposit. The breccia pipe is interpreted to have formed by interaction of cooler surface waters with hotter intrusive-generated fluids migrating upward along this lithological contact. This style of breccia is often referred to as diatreme breccia. Mineralisation is developed within the breccia pipe as sulphide rich veins. This is a different style of mineralisation to that within the WRZ.

The mineralisation in the BZ occurs within matrix to fragment dominated breccias developed within the sandstones. In the limestone, which forms the footwall to the breccia pipe mineralisation is essentially absent, providing a readily identifiable limit to mineralisation. The breccia pipe is also offset by post-mineralisation faults, with the southern limit of the breccia pipe corresponding to a fault with an interpreted relative dextral sense of movement.

Similar breccias are mapped south of the BZ (Figure 1), where they have had little or no drilling. The northeast extension of the BZ is also open for up to 150 metres between sections 10 and 11. There is also potential for development of other mineralisation zones within the breccia pipe that do not outcrop.

Initial results from the first six holes into the BZ bonanza zone target returned excellent results in two holes and solid intersections of mineralisation in the remaining four holes (Figure 2). These drill intersections confirm the continuity of grade vertically between drill holes.

The oxidation profile within the mineralised zone about 40 m thick but locally near the breccia pipe plunges to a 100m depth (as shown in 183SD13).

The long section through the BZ (Figure 3, looking towards the northwest) shows that within the mineralised zone the highest grade mineralisation (as grams x metres) is pipelike and centred on hole 183SD13. There may be other similar zones deeper within, or laterally to, the known BZ mineralisation, providing attractive “sweet spots”.

Interpretation of drill core and these drilling results is underway to evaluate the plunge of mineralisation, the size of this bonanza zone and the implications for drill targeting within the Mt Kare deposit overall. It is important to note that these results are from only one of the bonanza zone targets, with drilling underway on another in the WRZ.

The pipe like structure of the high grade mineralised zone (>500 gram-metres) is shown in Figure 3 with most holes in or at the margins of this feature showing a similar pattern of mineralisation where quartz roscoelite occurs in a 3 to 5 metre band at or near the base of mineralisation, beneath a thick blanket of high silver mineralisation above.

The bonanza gold grades of the quartz-roscoelite (QR) mineralisation style in the pipe like structure around hole 183SD13 suggests fluid mixing occurred around a specific elevation. Recognition of this mineralisation style in the BZ is important, as it indicates that breccia pipes and faults at Mt Kare can host this high gold style of mineralisation. The two bonanza zones identified along a major fault zone in the Western Roscoelite Zone (WRZ) are currently the focus of drilling and have the potential to host a more substantial bonanza zone.

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		Mt Kare Local Plane Grid					
Hole	Zone	Easting	Northing	RL	Azimuth	Dip	Depth
180SD12	BZ	19467	84273	2992	120	-47	155.6
181SD12	BZ	19467	84273	2992	120	-42	109.7
183SD12	BZ	19505	84205	3011	296	-75	126.2
183SD12	BZ	19526	84240	3017	256	-70	135.5
184SD13	BZ	19526	84240	3017	256	-55	88.1
185SD13	BZ	19526	84240	3017	256	-80	90.9

Table 1: Collar location of the first six bonanza zone drillholes.

Hole	From (m)	To (m)	Interval (m)	Au g/t	Ag g/t	Domain	
180SD12	39.00	42.00	3.00	1.5	20.3	BZ	
	62.00	85.00	23.00	4.7	46.1		
	<i>incl.</i>	70.00	85.00	15.00	6.2		36.8
<i>incl.</i>	74.00	79.00	5.00	10.1	30.7		
181SD12	64.00	85.00	21.00	5.8	70	BZ	
	<i>incl.</i>	66.00	68.00	2.00	6.1		80
	<i>incl.</i>	73.00	85.00	12.00	8.2		68
<i>and incl.</i>	77.00	85.00	8.00	10.4	54		
182SD12	4.00	12.00	8.00	2.2	44	BZ	
	<i>incl.</i>	7.00	9.00	2.00	5.1		40
	14.00	31.00	17.00	4.5	74		
<i>incl.</i>	16.00	22.00	6.00	6.4	89		
<i>incl.</i>	28.00	30.00	2.00	13.0	21		
183SD12	4.00	115.00	111.00	9.8	77	BZ	
	<i>incl.</i>	13.00	28.00	15.00	4.1		70
	<i>incl.</i>	44.00	56.00	12.00	6.4		100
	<i>incl.</i>	63.00	112.00	49.00	22.3		71
	<i>incl.</i>	91.00	112.00	21.00	33.8		64
	<i>incl.</i>	91.00	99.00	8.00	73.0		75
184SD13	2.00	67.00	65.00	1.3	52	BZ	
	<i>incl.</i>	2.00	21.00	19.00	1.5		65
	<i>incl.</i>	39.00	51.00	12.00	1.9		59
	<i>incl.</i>	62.00	67.00	5.00	2.1		16
	<i>incl.</i>	82.00	88.10	6.10	1.7		21
185SD13	3.00	48.00	45.00	4.3	97	BZ	
	<i>incl.</i>	13.00	48.00	35.00	5.1		98
	61.00	90.90	29.90	9.6	55		
<i>incl.</i>	75.00	82.00	7.00	35.2	83		
Bold = major intersection		Intersections > 10 g/t gold					

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

Table 2: Assays from reported drillholes.

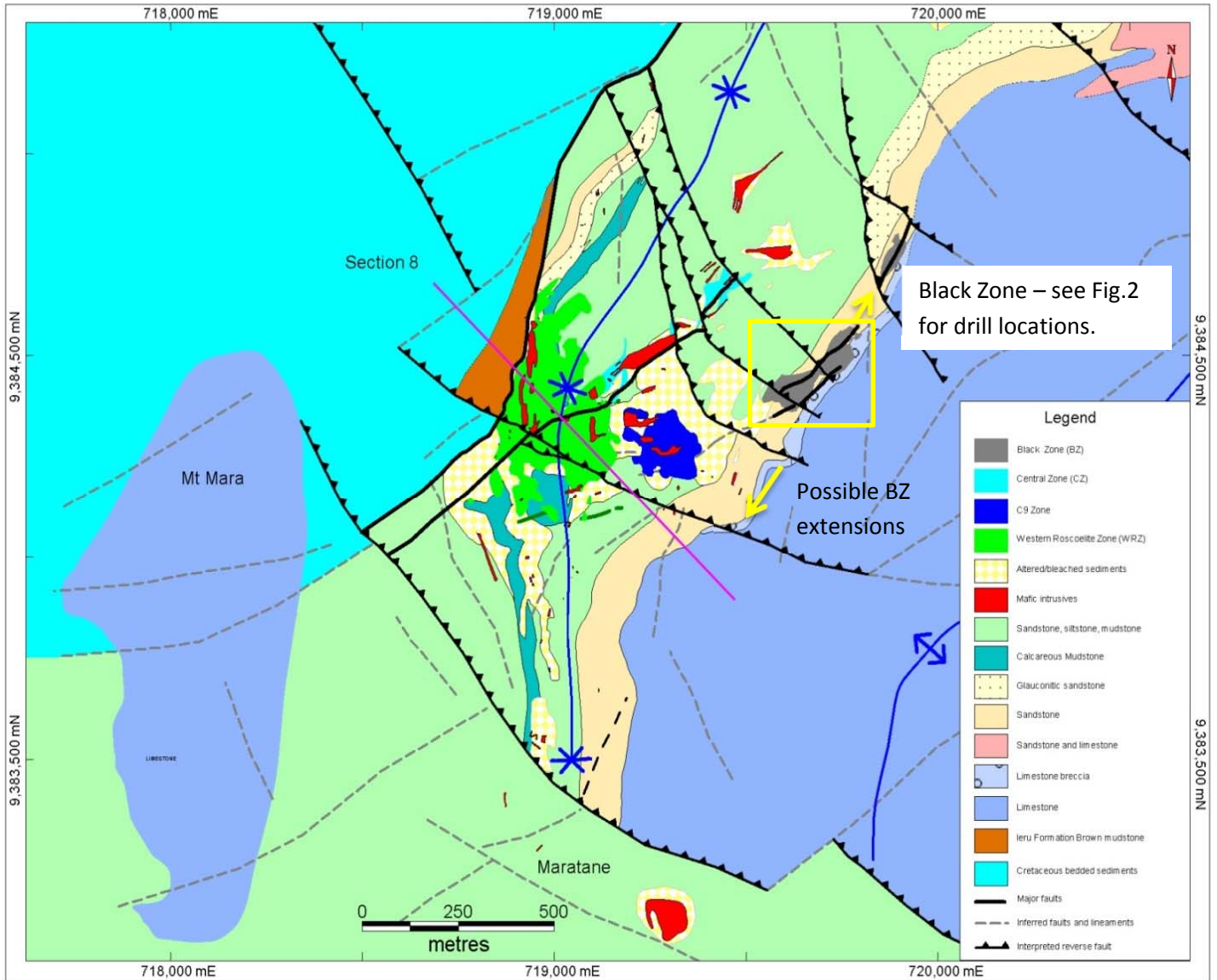


Figure 1: Mt Kare geological map, showing the location of the Black Zone.

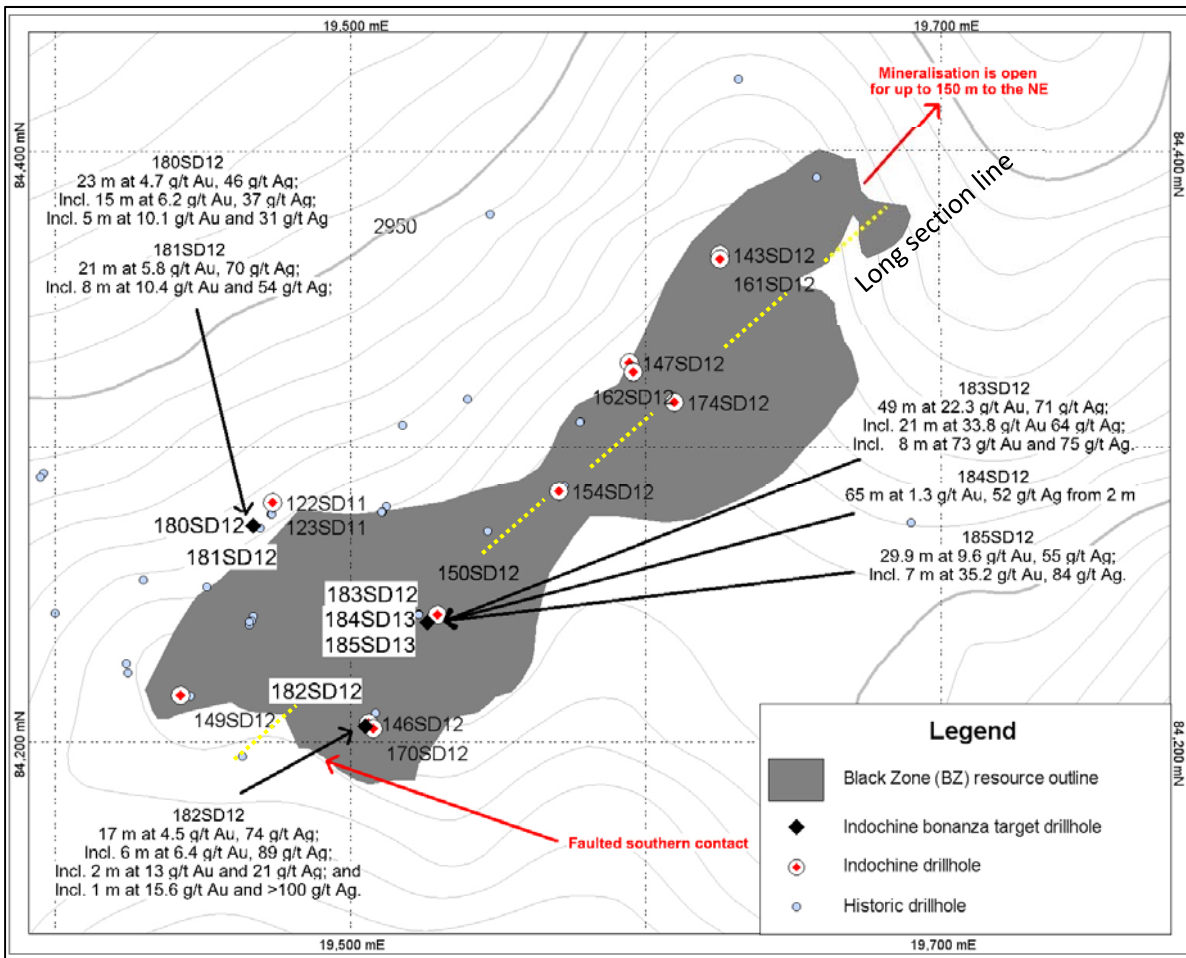


Figure 2: The location of BZ drill holes (Indochine holes in red); Holes 180SD12 to 185SD12.

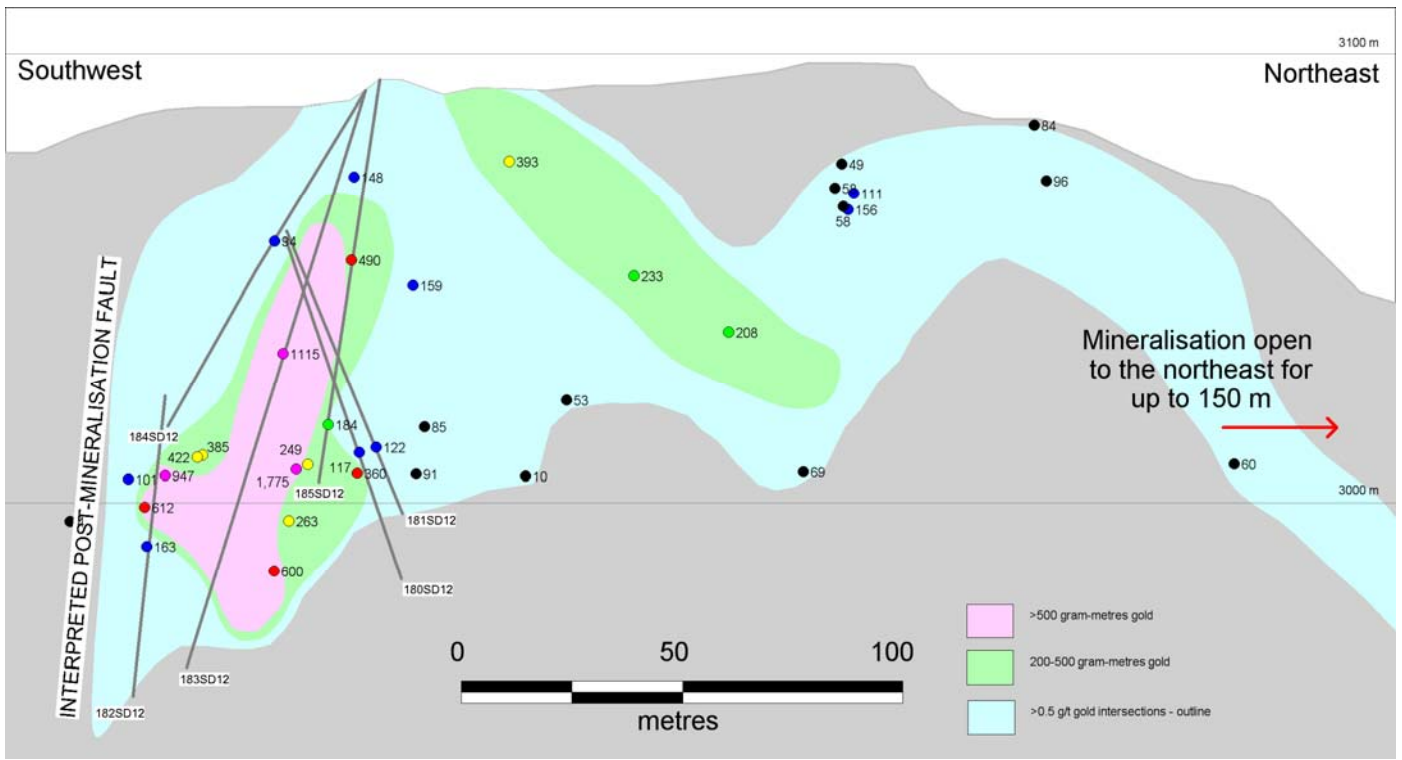


Figure 3: Long section showing BZ mineralisation as gram x metre intersections of gold mineralisation

Competent Person Statement

Anthony W. Burgess, a qualified consultant for Indochine Mining Limited, 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.

About Indochine

Bonanza Gold Catapults
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. Assay results are being released in March and April.
- Past bonanza intercepts include 18 m at 100g/t gold and 21m at 444g/t gold. These bonanza zones will significantly improve the robust economics of Mt Kare and grow the current interim resource of 1.8Moz at 1.9g/t gold in 28Mt.
- Mt Kare is situated 15 km from the adjoining 28Moz 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 ~10Moz in gold reserves, surrounding the bonanza grade Zone 7. He identified bonanza zones at Mt Kare and considers they have an 'identical signature to the "bonanza" quartz-roscoelite zones at Porgera'.
- Indochine commenced this project 2 years ago and has built 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 robust economics; and
- A landowner investigation study has been completed and achieved overwhelming local support.

The company aims to deliver a:

- Feasibility Study by end 2013 to trigger the application for mining leases, moving into production in 2015; and
- Rapidly expand the resource and increase the grade by targeting bonanza zones

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