

Indochine Awards Letters of Intent for Feasibility and Mine Development for the Mt Kare Gold/Silver Project, PNG

Letters of Intent Allow for Rapid Development

Company Announcements Office
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- **Letters of Intent first step in rapid project development**
- **Both contractors have extensive experience in mine construction & development**
- **Mining planning and scoping works currently underway**

Indochine Mining Limited (ASX: IDC) ("Indochine") is pleased to announce that it has issued conditional Letters of Intent to appoint Australian Contract Mining Pty Ltd (ACM) and GR Engineering Services Limited (ASX:GNG) for the project management, feasibility study, development, engineering, construction and underground mining services of a mining project at the company's Mt Kare Gold/Silver Project, PNG. The planning and Scope of Work is currently under development.

A major increase in the quality of the resource was recently announced at the Mt Kare Gold/Silver Project to 2.5 Moz gold equivalent (AuEq), with two substantial high grade zones averaging 5 - 20 g/t gold, with intersections over 100 g/t gold. 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 than announced in the company's 2012 pre-feasibility study.**

Conditional Letters of Intent have been issued to:

- **Australian Contract Mining Pty Ltd (ACM)**, a specialist underground mining contractor, for the project management and mining of the proposed Mt Kare Underground Gold mine in PNG. The Letter of Intent establishes that **ACM** would have first priority for a contract for project management, underground mining services and underground drilling. **ACM** has an experienced management and operating team who have operated a safe and successful underground mining contracting business at a number of mine sites throughout Australia and overseas.
- **GR Engineering Services Limited (ASX:GNG)** to manage the feasibility study and the design, engineering, procurement, construction and commissioning (EPC) of the Mt Kare treatment plant. **GR Engineering's** extensive knowledge and commitment to making the project work were instrumental in their selection. The Letter of Intent establishes that **GR Engineering** would have first priority to enter into an EPC contract on a "turn-key" basis with Indochine, and would provide the company with a guaranteed maximum price in the future for the design, construction and commissioning of the treatment plant and the associated infrastructure. The **GR Engineering** team comprises a highly experienced and professional team ideal for this project. **GR Engineering** has been involved with the design and construction of treatment plants in Papua New Guinea and in a large number of plants in Australia in recent years.

A number of conditions precedent will be required prior to these contracts becoming final and 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.

Forward-Looking Statements

Certain statements made during or in connection with this statement contain or comprise certain forward looking statements regarding the company's plans and objectives, exploration, project development, time lines, production rates, capital expenditure, operating costs and other economic performance and financial conditions as well as general market outlook comments. Although the company believes that the expectations reflected in such forward-looking statements are reasonable, such expectations are only predictions and are subject to inherent risks and uncertainties which could cause actual values, results, performance or achievements to differ materially from those expressed, implied or projected in any forward looking statements and no assurance can be given that such expectations will prove to have been correct. Accordingly, results could differ materially from those set out in the forward-looking statements as a result of, among other factors, changes in economic and market conditions, delays or changes in project development, success of business and operating initiatives, delays or changes in the regulatory environment and other government actions, local community discussions and negotiations, fluctuations in metals prices and exchange rates and business and operational risk management. Except for statutory liability which cannot be excluded, each of the company, its officers, employees and advisors expressly disclaim any responsibility for the accuracy or completeness of the material contained in this statement and excludes all liability whatsoever (including in negligence) for any loss or damage which may be suffered by any person as a consequence of any information in this statement or any error or omission. The company undertakes no obligation to update publicly or release any revisions to these forward-looking statements to reflect events or circumstances after today's date or to reflect the occurrence of unanticipated events other than required by the Corporations Act and ASX Listing Rules. Accordingly you should not place undue reliance on any forward looking statement.

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