

Company Update with CEO Stephen Promnitz

Chief Executive Officer, Stephen Promnitz, provides shareholders with an update on some of Indochine's corporate and operational developments.

Q1: How will the recent \$3.1 million capital raising assist Indochine and the development of the Mt Kare project?

The funds raised provide us with the necessary short-term financial flexibility to continue ongoing activities at the Mt Kare project. While most of our emphasis is on administration and corporate functions right now, it is important for shareholders to understand that we have to keep the project in good standing and that means keeping our site secure, our people on site gainfully employed, and our administrative and corporate function operating.

It is also important to note that these are challenging market conditions for many junior exploration and development companies. However, Indochine has been able to count on the support from many of its shareholders, some of which are very large funds, and this gives us a clear distinction in the market. This is again a very strong endorsement of the unlocked value in the Mt Kare project.

Whilst this recent placement was undertaken at a discount, it is also important to note that Indochine's strong shareholder support is reflected by the fact that most of our recent placements have been undertaken at market, or at a premium to the market price of IDC scrip.

Also of significance is the fact that three of our top shareholders supported this current capital raising based on Indochine's key value propositions which are the size of the current resource, the percentage of high-grade ounces defined as part of this resource, the value created from the recent Landowner Investigation Study (LIS) and the exploration upside that we believe the project holds.

Q2: Can you provide an update on the ongoing discussions with potential joint venture and cornerstone partners?

Over recent months, we have been actively assessing a broad range of funding options with various parties - the aim being to identify a suitable partner that can immediately assist us to continue with Mt Kare's development. Like our shareholders, we have been disappointed to date, with the lack of traction in securing an appropriate partner.

But what I can say is that a number of promising discussions are ongoing but not complete, so naturally we are not able to disclose specific details. However, we have been very diligent in assessing all opportunities and have terminated any negotiations that are not in the best interest of our shareholders. We will ensure shareholders are kept up to date with any material developments as they unfold.

Q3: How are you managing your cost base during this period?

Reducing our cost base down during this period has of course become a focus for the Board and Management team. In recent months we have reduced our corporate and administrative cost base and overhead expenditure to ensure the majority of available funds are used on the continued progression of Mt Kare.

Importantly, a number of our suppliers and partners have elected to take IDC scrip in lieu of payment, which is not only a sign of confidence in our project, but also helps preserve our cash position.

Q4: How are the on-site development activities progressing at Mt Kare?

The recent capital raising gives us some capacity to continue the planning of the development drive while further funding discussions are continuing. We are also continuing discussions with the team at Australian Contract Mining, who will be undertaking the work on the development drive and associated drilling activities in due course.

It is also important to note that last year and this year a great deal of emphasis and a large investment was made to complete the Landowner Investigation Study which represents a critical milestone and value-add for Indochine.

Q5: So how significant was the completion of the Landowner Investigation Study?

The completion of the LIS earlier this year was a very positive milestone for the team as we invested considerable time and effort into properly identifying the customary landowners of the Mt Kare land.

Having achieved this milestone, we can now deal directly with the rightful landowners at all times which makes the consultation process much more streamlined. We are firmly focused on building on our already strong relationship with the PNG Government and local people - as they will play a key role in the future success of the Mt Kare project.

Shareholders should not underestimate the significance of this LIS as many projects in PNG have not completed such a study. An LIS allows us to lock in the value of the assets for our shareholders and this is critical as we approach the project development phase.

Q6: Indochine has also made a number of changes to the Board this year. What impact are these new Board members having on the Company?

As shareholders will have noted, we have undertaken a strategic review of the Board over recent months and made the necessary changes to reflect the technical capabilities and expertise required to transition a project of Mt Kare's quality into production.

As a result of the review, we have strengthened the Board's experience in the key areas of mine engineering, mine construction, underground mining and corporate finance.

The Board now consists of a number of very successful professionals with the right mix of skills and who have had direct involvement with delivering projects similar to Mt Kare into production.

This has been a very positive development for the company and we are pleased to have attracted such talent to the Board, who are working very constructively with the management team across a number of corporate, commercial and operational matters.

Q7: Looking ahead, what are the next steps for Indochine and the development of Mt Kare?

Our immediate focus is to continue negotiations with potential funding partners as efficiently and effectively as possible. While we work to finalise a beneficial outcome for shareholders we will be continuing with the completion of the LIR and commencing feasibility studies on the high grade (+10g/t Au) portion of the deposit.

Whilst we understand that this is a frustrating - albeit short term - period for shareholders, we are working hard to achieve the best outcomes and create maximum value. What I can say is

that the Mt Kare project's value has not diminished, it still holds enormous value and undiscovered gold ounces, it is in a part of the world that is attracting significant foreign investment, and we are confident about the project's future.

The Company looks forward to providing shareholders with further updates in the near-term on both the progress of funding discussions and development work at Mt Kare.

For further enquiries contact:

Company:

Indochine Mining Limited

Stephen Promnitz Chief Executive Officer

+ 61 2 8246 7007

info@indochinemining.com

Media:

Six Degrees Investor Relations

Ben Jarvis

+61 2 9230 0661 / +61 (0) 413 150 448

ben.jarvis@sdir.com.au