

Indochine Aims to Increase Development Rate into High-Grade Gold Zones at Mt Kare Project

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Company Announcements Office,
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Mt Kare project development and funding update

Indochine Mining Limited (ASX & POMSoX: IDC, "Indochine") advises that it will now aim to increase the development work targeting the high grade gold zones* at the Company's flagship Mt Kare Project, PNG. The acceleration of the ongoing program follows the completion of the Landowner Investigation Study ("LIS") in January, a major milestone for Indochine.

Initial horizontal geotechnical and hydrological drilling was completed on the adit portal in December 2013, with drillholes reinforced and grouted for roof support within the initial 25 metres of oxidised rock. Planned drilling and portal development was temporarily halted during the Christmas-New Year period to allow for the completion of the LIS which had over 400 people on-site.

Further development of both the portal and adit are planned in the current quarter. Now that the LIS is completed, Indochine is confident that through underground development it can advance to mining sooner and target +10 gram/tonne gold ore, for an estimated project capex of <\$100 million*.

Update on Financing Options

Indochine is also aggressively exploring a range of funding options for its Mt Kare Project. These include potential short and long term debt funding options, in conjunction with the Company's placement capacity to enable additional funds to be raised for ongoing exploration, project development and working capital. As previously stated, Indochine is working towards the key milestone of a decision to mine mid-year, followed by a mining lease application, with debt funding options considered to complete mine construction*.

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* Targets and timelines are based on a series of assumptions including financing, permitting, approvals, grade, recoveries and related aspects of similar projects. Please review the Forward Looking Statements disclaimer.

Competent Persons 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 Mineral Resources and 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.

Forward Looking Statements, Risks and Disclaimer:

This release contains certain forward-looking statements. The words 'anticipate', 'believe', 'expect', 'project', 'forecast', 'estimate', 'likely', 'intend', 'should', 'could', 'may', 'target', 'plan' and other similar expressions are intended to identify forward-looking statements. Indications of, and guidance on, future earnings and financial position and performance are also forward-looking statements. Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties and other factors, many of which are beyond the control of Indochine, and its officers, employees, agents and associates, that may cause actual results to differ materially from those expressed or implied in such statements. Actual results, performance or outcomes may differ materially from any projections and forward-looking statements and the assumptions on which those assumptions are based. The reader should not place undue reliance on forward-looking statements and neither Indochine nor any of its directors, employees, servants, advisers or agents assume any obligation to update such information. Except for any liability that cannot be excluded by law, Indochine, and each of their Affiliates, disclaim and accept no responsibility or liability (including liability for negligence) for any expenses, losses, damages or costs incurred as a result of the information in this document being inaccurate or due to information being omitted from this document. The growth in high grade resources and the related mining rate and gold production rates are indicative only. They are based on assumptions considered reasonable by Indochine and its external consultants, which may not all be ultimately achieved. The Company expects that the drilling to be undertaken will aid in the future increase in contained ounces of gold within and around the high grade zones of a reasonable proportion to allow for an underground mining which may not be ultimately achieved. There is no assurance that the mineral resource estimates published by Indochine Mining can be profitably mined or that the planned exploration and project studies by Indochine Mining will result in the delimitation of an economically viable mineral deposit or that the exploration tonnage estimates and conceptual project developments can be achieved. Further, there is no assurance the any planned feasibility studies carried out by the Company will confirm the technical and commercial viability of the Company's Mt Kare Project. Indochine Mining's Projects are located in Papua New Guinea. There can be no assurance that the legal or regulatory regime in that country will remain in the present state, and where adverse changes occur, this may impact on the ability of the Company to viably develop its projects or retain appropriate title to its projects in order for it to do so. Indochine's operations, and the operations of the industries in which its contractors operate, are subject to laws, regulatory restrictions and certain government directives, recommendations and guidelines relating to, amongst other things, occupational safety, the use and handling of hazardous materials, prevention of illness and injury and environmental protection. Future legislation may impose further regulation, which could impact adversely on the assets, operations and, ultimately, the operating and financial performance of Indochine. Delays or failures in obtaining regulatory approval may have an adverse effect on the operational and financial performance of Indochine. Licences and permits to operate, and adjustments to those licences and permits, are subject to approvals by regulatory bodies and may not be provided in a timely manner. Any adverse material changes may have significant effects on the viability of development. The price of commodities, particularly gold, will vary over time and consequently, adverse movements in commodity prices in the future may affect the viability of prospects. In accordance with relevant regulations governing the disclosure of mineral projects, readers are cautioned that scheduled development and production based on planned increases to resource material is considered speculative.