

Quarterly Activities Report - For Quarter Ended 31 March 2015

Company Announcements Office
28 April 2015



Background

- In July 2014 the Company announced a new strategic direction aimed at securing the necessary funding to service its Creditors and Loan Providers.
- In August 2014 the Company announced the appointment of UK based Pareto Securities to assist the Company in raising new capital and Perth based PCF Capital Group to act as corporate advisers in relation to any future corporate transactions.
- In the December quarter 2014 this process was delayed following the service of an injunction restraining the Papua New Guinea (PNG) Mineral Resources Authority (MRA) from conducting a Warden's Hearing on site, which was pivotal to the renewal of the Company's Exploration Licence.
- In February 2015 the Company advised that the PNG National Court of Justice had discharged the injunction, enabling the Company to proceed with the Wardens Hearing, which is now scheduled on site on 6 May 2015.
- The Company was in advanced discussions in relation to a strategic funding agreement that would have enabled the continued development of the Mt Kare Gold Project. When the Company was advised the interested party involved in those discussions had withdrawn its offer the Company's board of Directors took the decision to appoint administrators to the Company.
- The appointment of administrators to the Company did not enforce any action against Summit Development Limited, its wholly owned subsidiary and owner of the Mt Kare tenement.
- The Company's secured creditor continues to provide support to maintain the Company's infrastructure at site in good standing and to complete the Warden's Hearing to pave the way for renewal of the Exploration Licence.
- The Company acknowledges the ongoing support of the MRA in PNG.

Administration

- The Company's securities were suspended from Official Quotation under ASX Listing Rules on 17 March 2015 due to the non-lodgement of the Half Year Accounts for the period ended 31 December 2014.



ASX & POMSx :IDC

Company Directors

Dermott McVeigh

Chairman

Craig Dawson

Non-Executive Director

Keith Murray

Non-Executive Director

Management

George Niumataiwalu

PNG Country Manager

Anthony W Burgess

Technical Geological Consultant

Ashok Jairath

Chief Financial Officer & Coy Sec

Major Shareholders

Brian Rodan	10.2%
Ruffer LLP	5.9%
Capital Group	5.4%
Genesis Asset Mgmt	4.8%
Baker Steel Capital Mgrs	3.27%

Corporate

Market Cap (16/3/15) ~\$8.2M

Shares Issued 1,363M

Corporate Address

Unit 3, 448 Roberts Road
Subiaco WA 6008 Australia
info@indochinemining.com
www.indochinemining.com

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- The Company's Board of Directors were advised on 27 March 2015 that the strategic funding partner engaged in advanced discussions had withdrawn the offer to fund the Mt Kare Project. As a consequence of this development, the Company's board took the decision to appoint voluntary administrators to the Company. Mr Martin Jones, Mr Darren Weaver and Mr Benjamin Johnson, all partners of Ferrier Hodgson, were appointed as joint and several administrators of the Company.
- The first meeting of the creditors was held on 10 April 2015 in Perth and the second meeting of the creditors is scheduled for 13 May 2015 in Perth, where the future direction of the Company will be decided.

Finance

- A capital raising of \$0.5million via a placement of 50 million new shares at \$0.01 per share with a sophisticated and professional investor was completed on 5 February 2015. On the same day, the Company also issued 26.3 million new shares to creditors in lieu of cash consideration to reduce the debt. Both parcels of shares were issued pursuant to ASX Listing Rule 7.3 from 181 million shares previously approved by the shareholders at the Annual General Meeting on 28 November 2014.
- On 30 January 2015, the secured loan conversion agreement was signed between the Company and the secured creditor. Under the terms of agreement, the aggregate limit of the loan was increased from \$3.25 million to \$3.75 million and the term of the loan was extended to 30 April 2015.
- Under the terms of the above agreement, the secured creditor is entitled to convert some or all of the principal outstanding into the Company's shares in one or more tranches at 85% of the volume weighted average price of the Company's fully paid ordinary shares as quoted on ASX over the 5 trading days immediately preceding the date of the conversion agreement.

Current Work on Site

- Current work on site is in hiatus pending renewal of EL 1093 by the PNG MRA.

Exploration Activities

- Application to renew the Exploration Licence (EL) 1093 (which incorporates the Mt Kare Gold Project) previously lodged is awaiting completion of the Mining Warden's hearing. The hearing has now been rescheduled to 6 May 2015 after the injunction restraining the renewal of the license was set aside by the National Court on 18 February 2015.
- Under the PNG Mining Act 1992, section 112, the current exploration license that reached its expiration date on 28 August 2014, continues to be in force until the renewal application has been determined.

Legal Proceedings

- The Company's wholly owned subsidiary Summit Development Limited (SDL) which was served with a summons in PNG by a number of plaintiffs seeking relief from the changes to the weighting of rights of various landowner clans or sub clans in some areas covered by the Landowner Investigation Study (LIS), was ordered by the National Court on 18 February 2015 to undergo mediation involving all parties to the injunction by a National court accredited mediator. The mediation meeting has been scheduled for 25 May to 29 May 2015 at Mt Kare and will also be presided over by the judge who heard the case in the court.

Quarterly Activities Report - For Quarter Ended 31 March 2015

Cash and Shares on Issue

- The cash position was \$8,000 at 31 March 2015 (refer to Appendix 5B). The issued capital is 1,363,855,013 fully paid ordinary shares as at 31 March 2015.

Company Changes

- Mr Kevin Hart resigned as Joint Company Secretary on 30 March 2015.
- The Company's registered office was relocated to Unit 3, 448 Roberts Road, Subiaco, WA 6008 on 28 February 2015.

Dermott McVeigh

Chairman, Indochine Mining Limited

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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")

31 March 2015

Consolidated statement of cash flows

	Current quarter \$A'000	Year to date (9 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	(908)	(3,831)
(b) development	-	-
(c) production	-	-
(d) administration	(200)	(1,233)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	1	7
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	(1,107)	(5,057)
Cash flows related to investing activities		
1.8 Payment for purchases of: (a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	-	-
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	-	-
1.13 Total operating and investing cash flows (carried forward)	(1,107)	(5,057)

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(1,107)	(5,057)
Cash flows related to financing activities			
1.14	Proceeds from issues of shares, options, etc.	500	4,041
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings*	189	1,840
1.17	Repayment of borrowings**	(10)	(1,220)
1.18	Dividends paid	-	-
1.19	Other (capital raising costs)	(4)	(116)
	Net financing cash flows	675	4,545
	Net increase (decrease) in cash held	(432)	(512)
1.20	Cash at beginning of quarter/year to date	413	497
1.21	Exchange rate adjustments to item 1.20	27	23
1.22	Cash at end of quarter	8	8

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'ooo
1.23	Aggregate amount of payments to the parties included in item 1.2	10
1.24	Aggregate amount of loans to the parties included in item 1.10	

1.25 Explanation necessary for an understanding of the transactions

* Includes draw down of secured loan of \$188,858 during the quarter and \$1,823,858 on year to date basis.(nine months)

** Includes repayment of secured loan of \$1,159,240 on year to date basis(nine months)

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

On 5 February 2015, the following shares were issued to creditors and Directors in lieu of payment in cash

- 18,557,407 shares issued to creditors at \$0.010 and \$0.012 per share totalling \$196,885
- 7,838,784 shares issued to Directors and employees for consulting fees and salaries at 0.012 totalling \$ 94,065

Further information is detailed in the ASX announcement of 5 February 2015.

- 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	3,750*	3,343**
3.2 Credit standby arrangements		

*On 30 January 2015, the secured loan facility available was increased to \$ 3,750,000 in aggregate and repayment term extended to 30 April 2015.

**secured loan facility utilised includes accrued interest and facility restructuring fees.

Estimated cash outflows for next quarter*

	\$A'000
4.1 Exploration and evaluation	700
4.2 Development	
4.3 Production	
4.4 Administration	200
Total	900

*The Company was placed in Voluntary Administration on 27 March 2015 (see ASX announcement).

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	8	25
5.2 Deposits at call		388
5.3 Bank overdraft	-	-
5.4 Other	-	-
Total: cash at end of quarter (item 1.22)	8	413

+ See chapter 19 for defined terms.

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	NIL		
6.2	Interests in mining tenements acquired or increased	NIL		

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	1,363,855,013	1,363,855,013	n/a
7.4	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	62,903,839 13,494,352	62,903,839 13,494,352	\$ 0.010 \$0.012
7.5	+Convertible debt securities <i>(description)</i>			

+ See chapter 19 for defined terms.

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
		4,000,000		\$0.20	30/12/15
		42,136,826		\$0.085	03/09/16
		55,335,000		\$0.070	28/11/16
	Issued during quarter				
7.9	Exercised during quarter				
7.10	Expired during quarter	5,000,000		US\$0.25	17/03/15
7.11	Performance options (<i>description</i>)	14,050,000		nil	16/01/18
		16,500,000		nil	31/03/19
7.12	Issued during quarter				
7.13	Exercised during quarter				
7.14	Expired during quarter				
7.15	Debentures (<i>totals only</i>)				
7.16	Unsecured notes (<i>totals only</i>)				

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: *Ashok Jairath*
(Company Secretary)

Date: 28 April 2015

Print name: Ashok Jairath

+ See chapter 19 for defined terms.

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.

Disclosure Required Under Listing Rule 5.3.3 for the Quarter Ended 31 March 2015

28 April 2015

Company Announcements Office
Australian Securities Exchange

Pursuant to listing rule 5.3.3, Indochine Mining Limited provides the following information:

- 1) Mining Tenements held at the end of quarter:

Country	Tenement	Number of Tenement	Interest
Papua New Guinea*	EL 1093	1	100%

*Currently under renewal

Please note that under the PNG Mining Act 1992 section 112, an exploration tenement license continues to be in force until the renewal application has been determined.

- 2) Mining tenements acquired or disposed during the quarter and their location: None
- 3) The beneficial percentage interests held in farm – in or farm – out agreements at the end of the quarter: None
- 4) The beneficial percentage interests in farm – in or farm – out agreements acquired or disposed during the quarter: None

Ashok Jairath
Company Secretary