

28 April 2016

Dear Shareholders

**Indochine Mining Limited
(Subject to Deed of Company Arrangement) (the Company)
ACN 141 677 385**

The Notice of Meeting and Independent Expert's Report were mailed to shareholders on 22 April 2016. Please take the time to read the information and consider the Resolutions to be voted at the Annual General Meeting.

The purpose of this Circular is to provide shareholders with an update regarding your Company which may assist you in deciding how to vote on the Resolutions.

In this regard, I refer to my previous correspondence in respect of the Company, specifically announcements released via the Australian Securities Exchange (ASX) on 31 March 2016 and 20 April 2016.

Exploration Licence EL1093 (EL1093)

On 14 July 2014, the Company's subsidiary, Summit Development Limited (SDL), lodged an application with the Mineral Resources Authority (MRA) in PNG for renewal of EL1093. On 18 January 2016, I was advised by the MRA that the Minister for Mining, Hon. Byron Chan, had refused SDL's application to renew EL1093 on 14 December 2015. In the period from July 2014 to January 2016 your Company spent circa \$6M in continuing to meet all key milestones required under the Mining Act 1992 and the continued operation of the camp facilities.

Subsequent to the advice from the MRA, SDL lodged an application for the grant of a new exploration licence over the Mt Kare area; however, I am aware that three (3) other applicants have also lodged applications prior to SDL.

Judicial Review OS (JR) 103 of 2016

As previously announced to the market, I filed an application with the PNG National Court on 1 March 2016 seeking a judicial review of the Minister's decision to refuse SDL's application. The hearing to consider granting of leave for the judicial review to proceed, originally scheduled for 5 April 2016, was heard on 7 April 2016 by the National Court of Justice, Papua New Guinea.

At the hearing, the presiding judge granted SDL leave to:

- Apply for Judicial Review of the Minister's rejection of the renewal application and the Mining Advisory Council's recommendation made on or around 21 July 2015;
- File and serve substantive Notice of Motion by 1 May 2016; and
- Stay of proceedings.

We are advised by SDL's lawyers in PNG that the effect of the grant of leave and stay orders is that, as SDL's extension application remains unresolved, the holdover provisions in the PNG Mining Act 1992 for exploration licences subject to a timely renewal application continue to apply and the ground is not available for any other exploration licence application (ELA). Whilst no hearing date for the judicial review has been established, we are advised by SDL's lawyers that the hearing date is likely to be in 3 – 6 months' time.

In the meantime, we are advised by SDL's lawyers that all new ELA's are held over (including SDL's fresh application) pending the outcome of the judicial review.

Deed of Company Arrangement (DOCA) Period

Pursuant to the conditions precedent detailed in the DOCA executed on 4 June 2015, the Company's shareholders are required to approve the amended capital structure at a meeting of members. Accordingly, and in conjunction with the extension of time approved by the Australian Securities and Investments Commission, shareholders would have received notice that the annual general meeting is to be held on **30 May 2016 at 11am (AWST)** at the **offices of Ferrier Hodgson, Level 28, 108 St Georges Terrace, Perth**. Details of where to send the proxy forms are included in the notice of meeting.

The Proposed Future Operations of the Company

The Company's primary focus is to ensure a successful challenge to the Minister's decision via the judicial review and to recover the exploration licence over the Mt Kare area for SDL.

During this period, your Company will also continue to seek and evaluate new opportunities in the mineral resources sector in order to restore shareholder value to the Company.

Subject to shareholder approval at the Annual General Meeting, Mr Tony Gates has agreed to join the Company's Board. Mr Gates is an exploration geologist and brings considerable experience to the Company with having completed successful exploration programs in both Australia and Papua New Guinea, which includes having previously completed due diligence on the Mt Kare Gold project. Mr Gates will work with the existing directors in evaluating new opportunities identified by or presented to the Company.

Should you have any further queries in relation to the above, please do not hesitate to contact Nirav Shah of this office.

Yours faithfully
Indochine Mining Ltd


Martin Jones
Deed Administrator