

Indochine More than Doubles Measured & Indicated Resource; 2.5 Moz Gold Equivalent at Mt Kare, PNG

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- Measured & Indicated Resource category more than doubled to 1.53 Million ounces (Moz) gold (in 28.4 Mt at 1.7 g/t Au, 17 g/t Ag) comprising 73% of total Mineral Resource
- Mineral Resource: 43 Mt at 1.5 g/t Au for 2.1 Moz Au, 18 Moz Ag; 2.5 Moz gold equivalent⁽¹⁾
- High grade zones include 400,000 oz with nearly 50% increase in grade to 5.4 g/t Au in 2.3 Mt within the WRZ and BZ zones, with alternative modelling showing 10 g/t Au
- 350,000 oz increase in overall gold resource with further high grade potential
- High grade zones offer an accelerated production option of an underground project at substantially lower capital costs than the PFS, while continuing the exploration of high grade zones
- Includes 380,000 oz Au of near-surface oxidised material, in all resource categories, offers additional lower-cost development option

Indochine Mining Limited (ASX: IDC) ("Indochine") is pleased to confirm improved project confidence with an updated Mineral Resource estimate undertaken by Anthony Burgess and AMC Consultants Pty Ltd for the Indochine's Mt Kare Gold-Silver project located in Papua New Guinea.

The total Mineral Resource is estimated at 42.5 Million tonnes (Mt) grading 1.54 g/t gold (Au) and 13.5 g/t silver (Ag) for **2.11 Million ounces gold (Moz) or 2.45 Moz gold equivalent⁽¹⁾**, a 20% increase in gold ounces (350,000 oz) compared to the prior 2011 resource estimate (Table 1).

A key outcome from the latest resource estimate is a significant increase in the higher confidence Measured and Indicated Resource categories to 28.4 Mt at 1.68 g/t Au and 17.2 g/t Ag for a total of 1.53 Moz gold (1.82 Moz gold equivalent⁽¹⁾). **This represents a 120% increase in gold ounces** compared to the Indicated category of the prior 2011 resource estimate (Table 1).

CEO commentary

"We are pleased to have reached this key milestone in the ongoing development of the Mt. Kare gold-silver project," Indochine's CEO Stephen Promnitz commented. "The major increase in quality of the resource estimate is significant as we have delivered a 120% increase in the Measured and Indicated material, providing confidence to progress development."

"Importantly, this resource estimate includes 400,000 ounces of gold at 5.4 g/t from the recently explored higher grade WRZ and BZ zones. Alternative modelling of the two high grade zones was conducted using uncapped analytical results, at a cut-off grade of 2.0 g/t Au (instead of 0.5 g/t Au). Results for the high grade zones showed almost twice the grade, at 10 g/t Au for 500,000 ounces gold equivalent in 40% less tonnes. At a higher cutoff grade of 6.0 g/t Au, initial modelling suggests grades of nearly 20 g/t Au. This could allow for the rapid development of an exploration adit to further drill high grade zones and potentially fast-track development at lower capital costs, with an improved return on investment in comparison with last year's PFS. This is how the adjoining Porgera gold mine started"

"The other key aspect is that we have defined a larger resource of oxidised material near to surface (380,000 oz in 10 Mt at 1.2 g/t Au), which could be expanded, allowing for staged development."

"Fourteen other anomalies have been identified, but not drilled yet, within the Mt Kare licence, with two targets showing gold in stream samples. Given the similarities to Porgera, a much larger mineralised system is indicated to exist at Mt Kare."

"Our priority is to consider multiple options for accelerated, lower cost development, factoring in a gold price more aligned to current levels, while exploring the high grade zones."

Summary

- This Resource estimate provides greater confidence in the Mt. Kare deposit and indicates that the company has multiple staged development options for entering production.
- The Company could consider accelerating production by development of an underground project on high grade zones or alternatively scalable surface mining. More rapid development should be possible with underground operations at substantially lower capital costs, similar to the original start-up of the adjoining Porgera gold mine.
- The minor reduction in the global grade of the total Mineral Resource is due to the inclusion of larger volumes of lower grade material near the fringes of the resource zones and the tight domains around high grade zones which restrict the positive influence of high grades.
- Detailed analysis of the resource update with the geology, estimation methodology and accompanying tables are in the related release titled "Explanatory Notes to the Resource Update of Indochine's Mt Kare Project PNG".

Table 1: Mt Kare Project - JORC Mineral Resource Statement (July 2013)

Cut-off 0.5g/t gold

Resource Classification	Million Tonnes	Gold g/t	Silver g/t	Gold Moz	Silver Moz	Gold Equivalent Moz ⁽¹⁾
Measured Resource	20.2	1.84	20.9	1.19	13.5	1.44
Indicated Resource	8.3	1.29	8.1	0.34	2.2	0.38
Measured and Indicated Resource <i>(Combined)</i>	28.4	1.68	17.2	1.53	15.7	1.82
Inferred Resource	14.1	1.27	6.0	0.57	2.7	0.63
Total Mineral Resource	42.5	1.54	13.5	2.11	18.4	2.45

Notes

- 1) Gold equivalent grades (AuEq) are calculated based on a gold price of US\$1200/oz and a silver price of US\$22/oz, or 54.55 silver ounces per 1 gold ounce; this does not consider metallurgy recovery factors.
- 2) Cut-off grades and capping: A lower cut-off of 0.5 g/t Au was used based on the data distribution. Capping strategy utilised: In low grade domains, analyses capped at 30 g/t Au, 250 g/t Ag; Upper Zone and high grade domains at 50 g/t Au, 500 g/t Ag.
- 3) Material classified as Measured and Indicated Resources are wireframed gold mineralisation based on the 2013 block model considering an average distance between drilling of 25m and 50m among other criteria. It is considered that this category material has a high probability of being economically extracted, including comparisons with a previously modelled PFS open pit shell based on various assumptions including the prior 2011 resource. Mineralisation beyond an average distance between drilling of 80m was not included within the lowest category of Inferred Resource.
- 4) Rounded estimates are used, which may cause apparent discrepancies in totals. Significant figures do not imply precision.
- 5) The resources have been reported in compliance with the JORC (2004) code.

Full details of the Mineral Resource Statement in "Explanatory Notes to the Resource Update of Indochine's Mt Kare Project"

Competent Person Statement

Anthony W. Burgess, a qualified consultant for Indochine Mining Ltd, 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 Resource estimate, 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.

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