

Quarterly Activities Report - For Quarter Ended 31 December 2014

Company Announcements Office
30 January 2015



Finance

- The current secured loan facility available to the Company is \$3.25million, of which \$2.86 million, including accrued interest, was drawn down as at 31 December 2014. The term of this facility ends on 28 February 2015. Discussions with the secured lender for the extension of the facility and increase in the loan amount are at an advanced stage and the Company is confident that a satisfactory outcome will be reached.
- Pareto Securities and Strand Hanson of London were appointed as advisers to the Company with a view to an AIM Listing.
- PCF Capital Group continues to pursue a corporate transaction in relation to the Mt Kare Project. A number of parties have expressed interest and their suitability is under assessment.
- Activities on site continue to be managed to conserve cash whilst discussions in relation to a corporate transaction and capital raising continue.

Current Work on Site

- Current work on site is in hiatus pending renewal of EL 1093 by the PNG Minerals Resource Authority. In the interim the proposed underground drilling program is yet to start and the heavy equipment for the development of the exploration adit has been sourced and will be relocated to Mt. Kare once the renewal is finalised.
- All planning for the access track from Waile Creek to the proposed portal location for the adit to bring in heavy equipment to the site and also to link the project to the Highlands Highway, has been completed. The Company intends to commence construction of the access track following renewal of EL 1093.
- Drilling programme for the collection of geotechnical and hydrological information for the development of the underground and open pit, roads, infrastructure and tailings storage facilities is also planned in the next license term.
- The drilling programme will be further complemented with resource extension and resource definition drilling of adjacent targets and a focus on Mt Kare Deeps potential.



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 & Co Sec

Kevin Hart

Company Secretary

Major Shareholders

Brian Rodan	10.8%
Baker Steel Capital	9.6%
Genesis Asset Mgmt	6.6%
Capital Group	5.7%

Corporate

Market Cap (29/1/15) ~\$14.2M
Shares Issued 1,287M

Corporate Address

Level 1, 26 Clive Street
West Perth WA 6005 Australia
info@indochinemining.com
www.indochinemining.com

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 was scheduled for 10 December 2014 but was delayed due to an injunction sought by landowner groups that were redefined by the Landowner Investigation Report (LIR) and who are seeking to have the LIR amended.
- 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) was served with a summons in PNG by a number of plaintiffs. The relief sought by the plaintiffs, in the main, includes a declaration that changes the weighting of rights of various landowner clans or sub clans in some areas covered by the Landowner Investigation Study and an injunctive order to restrain the Minister of Lands from registering the Landowner Investigation Report (LIR) until the question of reweighting is concluded. The plaintiffs have also sought an injunction restraining the Mineral Resources Authority (MRA) from conducting a Warden's Hearing onsite.
- According to the Company's legal advice, all allegations are without merit and will be vigorously defended. In relation to matters between the landowners regarding the weighting of the interests and rights of different clans and sub clans in the LIR, this is ultimately a matter between the landowners themselves and administrative and customary procedures exist for the resolution of those matters.

Cash and Shares on Issue

- The cash position was \$0.4 million at 31 December 2014 (refer to Appendix 5B). The issued capital is 1,287,458,822 fully paid ordinary shares as at 31 December 2014.

Company Changes

- Sir Samuel Jonah, KBE was appointed as an adviser to the Company on 24 November 2014 to assist with the capital raising and listing on AIM; following which he will be appointed as Chairman of the Company.
- Mr Keith Murray was appointed as Non-Executive Director and Mr Kevin Hart as Joint Company Secretary on 21 October 2014.
- Mr Gavan Farley resigned as Non-Executive Director on 30 October 2014.

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 December 2014

Consolidated statement of cash flows

	Current quarter \$A'000	Year to date (6 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	(1,069)	(2,923)
(b) development	-	-
(c) production	-	-
(d) administration	(342)	(1,033)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	5	6
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	(1,406)	(3,950)
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)	(1,406)	(3,950)

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(1,406)	(3,950)
Cash flows related to financing activities			
1.14	Proceeds from issues of shares, options, etc.	-	3,541
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings*	770	1,651
1.17	Repayment of borrowings**	(24)	(1,210)
1.18	Dividends paid	-	-
1.19	Other (capital raising costs)	-	(112)
	Net financing cash flows	746	3,870
	Net increase (decrease) in cash held	(660)	(80)
1.20	Cash at beginning of quarter/year to date	1,105	497
1.21	Exchange rate adjustments to item 1.20	(32)	(4)
1.22	Cash at end of quarter	413	413

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'000
1.23	Aggregate amount of payments to the parties included in item 1.2	NIL
1.24	Aggregate amount of loans to the parties included in item 1.10	NIL

1.25 Explanation necessary for an understanding of the transactions

* Includes draw down of secured loan of \$770,000 during the quarter and \$1,635,000 on year to date basis.(six months)
** Includes repayment of secured loan of \$1,159,240 on year to date basis(six 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 3 December 2014, the following shares were issued to creditors and directors in lieu of payment in cash

- 62,599,707 shares issued to creditors at \$0.018 per share totalling \$1,126,795
- 17,908,814 shares issued to Directors for sitting and consulting fees at \$0.027 totalling \$ 483,538

Further information is detailed in the ASX announcement of 3 December 2014.

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

NIL

+ 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	3,327*	2,860**
3.2 Credit standby arrangements		

*includes \$3,247,029 of secured loan facility available as at 31 December 2014. Extension of the facility and the loan amount are currently under discussions.

**secured loan facility utilised includes accrued interest

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	800
4.2 Development	
4.3 Production	
4.4 Administration	350
Total	1,150

The Company is reviewing its near term capital raising options together with seeking joint venture participation in the Mt Kare Project. Discussions with interested parties are ongoing. Separately, the Company is renegotiating the extension of the term and the loan amount to fund the operations. However, the timing of future expenditure is dependent on utilising existing cash and financing facilities currently available to the Company and the progression of financing discussions.

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	25	1,103
5.2 Deposits at call	388	2
5.3 Bank overdraft	-	-
5.4 Other	-	-
Total: cash at end of quarter (item 1.22)	413	1,105

+ 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	1,287,458,822	1,287,458,822	n/a
7.4	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	62,599,707 17,908,814	62,599,707 17,908,814	\$ 0.018 \$0.027
				nil nil

+ See chapter 19 for defined terms.

7.5	*Convertible debt securities <i>(description)</i>				
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
		5,000,000		US\$0.25	17/03/15
		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	55,335,000		\$0.070	28/11/16
7.9	Exercised during quarter				
7.10	Expired during quarter	1,500,000		\$0.20	30/12/14
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: 30 January 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 December 2014

30 January 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