INDOCHINE MINING LIMITED AND CONTROLLED ENTITIES
ACN 141 677 385

Interim Financial Report for the half-year ended 31 December 2013

INDOCHINE MINING LIMITED

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INDOCHINE MINING LIMITED AND CONTROLLED ENTITIES
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Contents

DIRECTORS' REPORT

Your Directors are pleased to submit the financial report of the consolidated group for the half-year ended 31 December 2013. In order to comply with the provisions of the Corporations Act 2001, the Directors Report as follows:

Directors

The names of Directors who held office during or since the end of the interim and until the date of this report are noted below. Directors were in office for this entire period unless otherwise stated.

Ian W Ross – Non- Executive Chairman
Gavan H Farley – Non- Executive Director
Michael Leggo - Non- Executive Director
Craig Dawson – Non-Executive Director (appointed 18 February 2014)

Company Strategy

Indochine Mining Limited is a gold development company with near-term production planned from a high grade gold/silver deposit at the Company's flagship Mt Kare Project in Papua New Guinea. The Company is aiming to develop a high margin, low cost underground gold mine with production targeted at approximately 200,000 ounces gold p.a. at 10 grams/tonne in 18-24 months, based on assumptions of recoveries of the project and at the adjoining mine. A rapid payback is forecast of approximately 1 year on a capex currently estimated at approximately $100 million for a 750,000 tonne p.a. treatment plant. Cash costs are estimated to be among the lowest in the industry. The targets and timelines are based on a series of assumptions including financing, permitting, approvals, grade, recoveries and related aspects of similar projects.

The Project has been de-risked through considerable technical work, with expert partners in underground mining and process plant design/build. Significant resource growth is anticipated as the project has a similar geological setting to the adjoining world-class 28 million ounce Porgera mine, which started from development of a similar high grade zone. Successful engagement with local communities via a "Melanesian Approach" has led to a landowner investigation study on-site and has won broad government support. Backing of supportive major investment funds has ensured the Company's success to date.

Review of Operations

Indochine Mining Limited advanced in two key areas during the December half year.

The Company generated a major change of strategy from a large open cut project to the rapid development of a high grade underground project, based on the new resource model.

The final stage of the Landowner Investigation Study (LIS) at the Mt Kare Project was advanced (and successfully completed after the end of the Dec half year) with a ground survey of the location of the land boundaries amongst the clans identified in the LIS – a key milestone for the company.

The resource upgrade was completed in July 2013 for the Mt Kare Gold Project. Importantly, two high grade zones were defined with 470,000 oz gold at 10.1 g/t Au and 52 g/t Ag in 1.4 Mt, with considerable potential for further extensions in the WRZ North and BZ Zones. The total Mineral Resource was 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, a 20% increase in gold ounces (350,000 oz) compared to the prior 2011 resource estimate. 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. The resource estimate was undertaken by Anthony Burgess and AMC Consultants Pty Ltd of Brisbane, utilising a new fully integrated geological model.

A major change of strategy to the rapid development of a high grade underground project was an outcome of the new resource model. The two high grade zones are amenable to underground mining with direct access possible from an adit/tunnel, that could be drilled and bulk sampled to demonstrate grade and continuity, targeting 1 Million ounces gold at 10g/t. This will be achieved via an underground drilling program, which is faster and more cost effective than drilling from surface, and is planned to bring the project to a decision to mine and the application for a mining lease more quickly, targeting mid-2014. After the design and planning was completed, preliminary work on the adit portal was commenced with horizontal geotechnical and hydrological drilling, coupled with the reinforcement and grouting of the 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. Considerable drilling and sampling from the adit is anticipated during the June half year to reinforce the extent of the high grade zone which will help in advancing a feasibility study for development of the project.

An independent structural study was completed by specialist consulting geologist Dr Anthony (Tony) Norman, to improve the new integrated geological model used in the resource upgrade and to help identify new high grade targets and extensions. Geological mapping identified key mineralised structures and a particular stratigraphic horizon associated with high grade gold mineralisation at the Mt Kare Gold-Silver Project. Potential extensions to the high grade zones were identified at deeper levels. A new target has been identified, over 500m long, in a previously undrilled area, with potential for further high grade gold bearing structures, located south of the currently identified resource. Drilling the targets identified is planned while the adit is being developed.

The final stage of the Landowner Investigation Study (LIS) on the Mt Kare Gold/Silver Project was completed on-site in January 2014, which is the marking of land boundaries by the identified primary landowners, validated by government officials and witnessed by relevant clans that have a beneficial interest in these land boundaries via kinship, blood ties and/or user rights. This LIS secures legal rightful entitlements for genuine traditional landowners as the LIS is included in the final submission of the Landowner Investigation Report (LIR). The completion of the LIS is a result of the steady evolution of extensive cooperation and participation received from local landowners in the region and by partnering with skilled sociologists and key government officials. The collaborative partnership is attributed to the unique 'Melanesian Approach' implemented by the Company. Key to this approach is the use of the 'malu', the clan's oral history developed over 15 generations, together with an assessment of genealogy, kinship, bloodlines, land use and customary criteria. The claim boundaries were walked by the 'malu' walkers, together with government officials, and other witnessing clans, involving over 400 participants on site after more than two years of preparation. More than a year ago, the collective team identified the legitimate landowning clans and verified their claims, finalised by formally surveying the claimed boundaries and resolving any disputes on site during this process.

On a consolidated basis, the Company made a loss of $3,322,000 for the period (2012: loss $1,740,000). Net assets decreased from $85,875,000 on 30 June 2013 to $86,225,000 on 31 December 2013.

Auditor's Independence Declaration

Section 307C of the Corporations Act 2001 requires our auditors, RSM Bird Cameron, to provide the Directors of the Company with an Independence Declaration in relation to the review of the interim financial report. This Independence Declaration is set out on page 15 and forms part of this Directors' report for the half-year ended 31 December 2013.

Rounding off of amounts

The Company is a company of the kind referred to in ASIC Class Order 98/100, dated 10 July 1998, and in accordance with that Class Order amounts in the Directors' Report and the Half-Yearly Financial Report are rounded off to the nearest thousand dollars, unless otherwise indicated.

This report is signed in accordance with a resolution of the Board of Directors made pursuant to S.306(3) of the Corporations Act 2001.

Ian Ross
Non - Executive Chairman
Date: 14 March 2014

Consolidated Statement of Profit or Loss and Other Comprehensive Income

FOR THE HALF-YEAR ENDED 31 DECEMBER 2013

	Consolidated Group	
	Half-year ended 31 December 2013 $'000	Half-year ended 31 December 2012 $'000
Continuing operations		
Interest revenue	**15**	35
Other income	**20**	-
Total revenue	**35**	35
Expense		
Professional fees	**(81)**	(88)
Insurance	**(57)**	27
Employee benefits expense	**(681)**	(696)
Share-based payment	**(21)**	-
Depreciation and amortisation	**(34)**	(42)
Travel	**(68)**	(83)
Consultants	**(267)**	(277)
Occupancy	**(92)**	(80)
Asset impairment	**(1,631)**	-
Public relations	**(76)**	(138)
Administrative	**(323)**	(395)
Other expenses	**(26)**	(3)
Loss before income tax	**(3,322)**	(1,740)
Income tax benefit	-	-
Loss for the period	**(3,322)**	(1,740)
Other comprehensive income for the period		
Items that may be reclassified subsequently to profit or loss		
Foreign currency translation reserve losses	**(4,651)**	(1,429)
Other comprehensive loss for the period	**(4,651)**	(1,429)
Total comprehensive loss for period	**(7,973)**	(3,169)
Earnings per share		
From continuing operations		
- Basic earnings per share	**(0.38)**	(0.27)
- Diluted earnings per share	**(0.38)**	(0.27)

The accompanying notes form part of these financial statements.

Consolidated Statement of Financial Position

AS AT 31 DECEMBER 2013

	Notes	Consolidated Group As at 31 December 2013 $'000	 As at 30 June 2013 $'000
ASSETS			
Current assets			
Cash and cash equivalents		**492**	1,757
Trade and other receivables		**987**	1,140
Total current assets		**1,479**	2,897
Non-current assets			
Plant and equipment		**1,415**	1,687
Exploration and evaluation cost capitalised	4	**88,536**	85,436
Other financial assets		**2**	2
Total non-current assets		**89,953**	87,125
TOTAL ASSETS		**91,432**	90,022
LIABILITIES			
Current liabilities			
Trade and other payables		**4,234**	3,886
Provisions		**973**	161
Total current liabilities		**5,207**	4,047
TOTAL LIABILITIES		**5,207**	4,047
NET ASSETS		**86,225**	85,875
EQUITY			
Issued capital	5	**120,402**	112,179
Reserves	6	**8,529**	13,180
Accumulated losses		**(42,706)**	(39,384)
TOTAL EQUITY		**86,225**	85,875

The accompanying notes form part of these financial statements.

Consolidated Statement of Changes in Equity

FOR THE HALF-YEAR ENDED 31 DECEMBER 2013

	Contributed Equity $'000	Accumulated Losses $'000	Reserves $'000	Total Equity $'000
At 1 July 2012	80,687	(25,503)	11,548	66,732
Loss attributable to members of the parent entity	-	(1,740)	-	(1,740)
Shares issued during the year	21,445	-	-	21,445
Movements in foreign currency translation reserves	-	-	(1,429)	(1,429)
At 31 December 2012	102,132	(27,243)	10,119	85,008
At 1 July 2013	**112,179**	**(39,384)**	**13,180**	**85,975**
Loss attributable to members of the parent entity	**-**	**(3,322)**	**-**	**(3,322)**
Shares issued during the year	**8,223**	**-**	**-**	**8,223**
Movements in foreign currency translation reserves	**-**	**-**	**(4,651)**	**(4,651)**
At 31 December 2013	**120,402**	**(42,706)**	**8,529**	**86,225**

The accompanying notes form part of these financial statements.

Consolidated Statement of Cash Flows

FOR THE HALF-YEAR ENDED 31 DECEMBER 2013

	Consolidated Group	
	Half-year ended 31 December 2013 $'000	Half-year ended 31 December 2012 $'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	**20**	-
Payments to suppliers and employees	**(1,104)**	(1,275)
Interest received	**12**	26
NET CASH FLOWS USED IN OPERATING ACTIVITIES	**(1,072)**	(1,249)
CASH FLOWS FROM INVESTING ACTIVITIES		
Payments for exploration and evaluation	**(8,345)**	(18,632)
Acquisition of plant and equipment	**(81)**	(54)
NET CASH FLOWS USED IN INVESTING ACTIVITIES	**(8,426)**	(18,686)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of ordinary shares	**9,039**	23,022
Payment of share issue costs	**(816)**	(1,577)
NET CASH FLOWS PROVIDED BY FINANCING ACTIVITIES	**8,223**	21,445
NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS	**(1,275)**	1,510
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	**1,757**	1,808
Foreign exchange translation difference	**10**	(9)
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	**492**	3,309

The accompanying notes form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 DECEMBER 2013

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

a) Basis of preparation

These general purpose financial statements for the interim half-year reporting period ended 31 December 2013 have been prepared in accordance with requirements of the *Corporations Act 2001* and Australian Accounting Standard AASB 134: Interim Financial Reporting.

The interim financial report is intended to provide users with an update on the latest annual financial statements of Indochine Mining Limited and its controlled entities (the Group). As such, it does not contain information that represents relatively insignificant changes occurring during the half year within the Group. It is therefore recommended that this financial report be read in conjunction with the annual financial statements of the Group for the year ended 30 June 2013, together with any public announcements made during the year.

The same accounting policies and methods of computation have been followed in this interim financial report as were applied in the most recent annual financial statements.

b) Critical accounting estimates and judgements

The directors evaluate estimates and judgements incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the company.

c) Foreign Currency Transactions and Balances Critical accounting estimates and judgements

Functional and Presentation currency

The functional currency of each group entity is measured using the currency of the primary economic environment in which that entity operates. The consolidated financial statements are presented in Australian dollars which is the parent entity's functional and presentation currency.

Transaction and balances

Foreign currency transactions are translated into functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated at the year-end exchange rate. Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction. Non-monetary items measured at fair value are reported at the exchange rate at the date when fair values were determined.

Exchange differences arising on the translation of monetary items are recognised in the statement of comprehensive income, except where deferred in equity as a qualifying cash flow or net investment hedge.

Exchange difference arising on the translation of non-monetary items are recognised directly in equity to the extent that the gain or loss is directly recognised in equity, otherwise the exchange difference is recognised in the statement of comprehensive income.

Group Companies

The financial results and position of foreign operations whose functional currency is different from the Group's presentation currency are translated as follows:

- Assets and liabilities are translated at year-end exchange rates prevailing at that reporting date
- Income and expenses are translated at average exchange rates for the period
- Retained earnings are translated at the exchange rates prevailing at the date of the transaction

The translation of foreign operations in the period under review has resulted in a decrease of the foreign currency translation reserve of $ 4,651,000 due to the weakening of the PGK against A$.

This decrease in reserve is a non cash flow item and does not form part of the operating results of the Group.

NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 DECEMBER 2013

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

Key Estimates

Exploration and evaluation expenditure
Judgement is applied by management in determining when a project has reached a stage at which economically recoverable reserves exist and that development may be sanctioned. Management is required to make certain estimates and assumptions similar to those described above for capitalised exploration and evaluation expenditure. Judgement is also applied by management in determining which costs are directly attributable to the exploration assets. Critical estimates are made in respect of the percentage time that management and other employees spend in the development of the various assets. While management used their best judgement in this regard, there remains a degree of estimation uncertainty surrounding the allocation of costs to the various assets.

Provision for Service Rendered
The company entered into an arrangement with an advisor in respect of services rendered for strategic advice and consultancy services. The remuneration in respect of such advisor is to be determined in accordance with a formula that is linked to the volume weighted average share price. The advisor can however elect to receive payment at a future date in accordance with the formula, and consequently, the quantification of such advisors remuneration can only be determined in the future with reference to the volume weighted average share price at the time the remuneration is determined. There is therefore a degree of estimation uncertainty in this regard, and management and the Board have exercised their judgment in quantifying the provision based on the volume weighted average share price as at 31 December 2013.

Key Judgements

License Renewal
The company announced on 29 July 2013 that its exploration license held by the group's wholly owned subsidiary in Papua New Guinea had been renewed. Such licence renewal contained several conditions, the majority of which have been fulfilled. Application has been made to the PNG Mineral Resource Authority in respect of the condition relating to the Land Investigation Study approval date. The Land Investigation Study has been completed on site by the company, and Management and the Board are of the opinion that such applications to extend the timeframes of the unfulfilled conditions will be granted in the ordinary course of business, and consequently, all licences remain current, and up to date.

AASB 5 'Non-current assets held for sale and discontinued operations'

The company announced on 10 October 2013, that it had entered into a heads of agreement with Capital Mining Limited (ASX:"CMY"), which was subsequently revised. The agreement allows for CMY to acquire up to 100% of the rights and interest in the assets of Indochine Resources Private Limited, a wholly owned subsidiary of Indochine Mining Limited, in return for equity in CMY, subject to a number of conditions being met. The board have considered the requirements of AASB 5 'Non-current assets held for sale and discontinued operations', and have exercised their judgement in determining that the segment should not be disclosed as a Non-current asset held for sale and a discontinued operation as at 31 December 2013.

Going concern

The financial statements have been prepared on the going concern basis, which contemplates continuity of normal business activities and the realisation of assets and discharge of liabilities in the normal course of business.

As disclosed in the financial statements, the consolidated entity incurred a loss of $3,322,000, and had net cash outflows from operating activities of $1,072,000 and net cash outflows from investing activities of $8,426,000 during the half year ended 31 December 2013. As at that date the consolidated entity had net current liabilities of $5,207,000.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 DECEMBER 2013

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The Directors believe that there are reasonable grounds to believe that the consolidated entity will be able to continue as a going concern, after consideration of the following factors:

(a) The Company is finalizing an equity capital raising via private placement and the directors reasonably expect to raise at least $10 million in the immediate future. In addition to the private placement, the directors have secured an additional equity funding facility of $10.8 million to be paid evenly over an 18 month period;

(b) The ability of the consolidated group to undertake further capital raisings with shareholder approval, or seek alternative funding in order to provide the required resources to meet the consolidated group’s ongoing operating costs and project development costs;

(c) The ability of the consolidated entity to further scale back certain parts of their activities that are non essential so as to conserve cash;

(d) The consolidated entity retains the ability, if required, to wholly or in part dispose of interests in mineral exploration and development assets.

Accordingly, the Directors believe that the consolidated entity will be able to continue as a going concern and that it is appropriate to adopt the going concern basis in the preparation of the financial report.

New and revised accounting requirements applicable to the current half-year reporting period
The Group has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (the AASB) that are mandatory for the current reporting period.

Any new, revised or amending Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the Group.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 DECEMBER 2013

NOTE 2: PROFIT FOR THE PERIOD

	31 December 2013 $'000	31 December 2012 $'000
The following revenue and expense items are relevant in explaining the financial performance for the interim period		
Depreciation and amortisation	34	42

NOTE 3: OPERATING SEGMENTS

Geographical segments

	Australia $'000	Cambodia $'000	PNG $'000	Total $'000
31 December 2013				
Segment revenue	**35**	**-**	**-**	**35**
Segment expenses	**1,449**	**1,907**	**1**	**3,357**
Segment loss	**1,414**	**1,907**	**1**	**3,322**
Segment assets	**1,252**	**4,919**	**85,261**	**91,432**
Segment liabilities	**1,390**	**235**	**3,582**	**5,207**

Geographical segments

	Australia $'000	Cambodia $'000	PNG $'000	Total $'000
31 December 2012				
Segment revenue	33	2	-	35
Segment expenses	1,275	500	-	1,775
Segment loss	1,242	498	-	1,740
Segment assets	3,755	15,478	67,815	87,048
Segment liabilities	593	35	1,412	2,040

NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 DECEMBER 2013

NOTE 4: EVALUATION AND EXPLORATION COSTS CAPITALISED

	31 December 2013 $'000	**30 June 2013 $'000**
Costs carried forward in respect of areas of interest in the following phases:		
Exploration and evaluation expenditure – at cost		
Cambodia	**4,500**	5,640
PNG	**87,576**	79,796
Total	**88,536**	85,436
Opening balance at 1 July	**85,436**	67,409
Current year expenditure	**9,849**	28,788
Asset impairment expenditure	**(1,505)**	(10,986)
Foreign exchange differences	**(5,244)**	225
Closing balance at 31 December	**88,536**	85,436

The ultimate recoupment of costs carried forward for exploration and evaluation expenditure is dependent on the successful development and commercial exploitation or sale of the respective areas.

NOTE 5: ISSUED CAPITAL

	31 December 2013 No.	**30 June 2013 No.**
Ordinary shares		
Issued and fully paid	965,200,471	841,522,946

	No.	**$'000**
Issued Capital 1 July 2013	841,522,946	112,179
Movements in ordinary shares on issue		
During 1 July 2013 to 31 December 2013	123,677,025	8,223
At 31 December 2013	**965,200,471**	**120,402**

NOTE 6: SHARE OPTIONS AND RESERVES

	No.	**$'000**
Movements in options over ordinary shares on issue		
At 1 July 2013	71,250,000	13,180
Movement in foreign exchange reserve	-	(4,863)
At 31 December 2013	**71,250,000**	**8,317**

NOTE 7: DIVIDENDS

The Directors of the Company have not declared an interim dividend.

NOTE 8: CONTINGENT LIABILITIES

There have been no changes in the commitments or contingencies as outlined in the 30 June 2013 annual report.

NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 DECEMBER 2013

NOTE 9: EVENTS AFTER THE END OF THE INTERIM PERIOD

As stated in Note 1 (b), the company entered into an arrangement with an advisor where the remuneration in respect of such advisor is to be determined in accordance with a formula that is linked to the volume weighted average share price. The advisor can however elect to receive payment at a future date. Management and the Board have exercised their judgment in quantifying the provision based on the volume weighted average share price as at 31 December 2013 which is recorded in the interim financial report at $800,000. The share price has increased significantly subsequent to year end. The effect of the subsequent movement in the share price on the provision is an increase of $600,000 to $1,400,000.

No other material subsequent events have occurred since the half year ended 31 December 2013.

Directors' Declaration

The Directors of the Company declare that, in the opinion of the directors:

(a) the attached financial statements and notes thereto are in accordance with the *Corporations Act 2001*, including:

  (i) giving a true and fair view of the consolidated entity's financial position as at 31 December 2013 and of its performance for the half-year ended on that date; and

  (ii) complying with Accounting Standard AASB 134: *Interim Financial Reporting;* and

(b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the Directors made pursuant to S303(5) of the *Corporations Act 2001*.

On behalf of the Directors

Ian Ross
Non Executive Chairman
Date: 14 March 2014

RSM Bird Cameron Partners

RSM Bird Cameron Partners
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AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the review of the financial report of Indochine Mining Limited for the half year ended 31 December 2013, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

(i) the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and

(ii) any applicable code of professional conduct in relation to the review.

RSM Bird Cameron Partners

RSM BIRD CAMERON PARTNERS

GNS

G N SHERWOOD
Partner

Sydney, NSW
Dated: 14 March 2014

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Level 12, 60 Castlereagh Street Sydney NSW 2000
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INDEPENDENT AUDITOR'S REVIEW REPORT

TO THE MEMBERS OF

INDOCHINE MINING LIMITED

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Indochine Mining Limited which comprises the statement of financial position as at 31 December 2013, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the half-year end or from time to time during the half-year.

Directors' Responsibility for the Half-Year Financial Report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2013 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Indochine Mining Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

RSM Bird Cameron Partners

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Indochine Mining Limited, would be in the same terms if given to the directors as at the time of this auditor's review report.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Indochine Mining Limited is not in accordance with the *Corporations Act 2001* including:

(a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2013 and of its performance for the half-year ended on that date; and

(b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001*.

RSM Bird Cameron Partners

RSM BIRD CAMERON PARTNERS

GNS

G N SHERWOOD
Partner

Sydney, NSW
Dated: 14 March 2014