



INDOCHINE MINING LIMITED

ASX:IDC

ACN 141 677 385

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Company Announcements Office  
Australian Securities Exchange

3 Pages

## Indochine Commences Drilling Phase in Major PNG Gold Project

### Drilling Phase Designed to Generate Core for Metallurgical Test Work

Indochine Mining (ASX:IDC) commences this week the first phase of a drill program of up to 10,000 metres at its major gold/silver project, Mt Kare, in Papua New Guinea (PNG). One drill rig is positioned on the first drill pad and the second drill rig is in transit with a third rig to arrive later.

The first stage of the program includes approximately 2,000 metres of diamond drilling across the main ore body, designed to intersect the various types of mineralisation present. This will generate core for metallurgical test work, to enable the process design stage of the pre-feasibility study to progress. Past explorers have drilled the area previously, producing significant intercepts of gold mineralisation and these are expected to be repeated in Indochine's drilling.

The drill holes are designed to 'twin' previous drill holes. The locations of the first two planned holes are shown in Table 1 and Figure 1, and the two previous drill holes in these locations had assay results which included the following intercepts:

- 67.5 metres (m) at 4.0 grams/tonnes (g/t) gold and 85 g/t silver** from 46.5m, including
- 34.5 m at 7.2 grams/tonne gold, 139 g/t silver** from 61.5m and including
- 13.5 m at 10.3 grams/tonne gold, 67 g/t silver** from 82.5m (MK98-132);
- 49.5 metres at 4.5 grams/tonne gold, 9.2 g/t silver** from 115.5m, including
- 16.5 m at 11.8 grams/tonne gold, 18.7 g/t silver** from 132m (MK97-16).

Although the drill holes are planned in similar locations to previous drill holes, new assay results may differ materially from past results due to the nature of gold mineralisation. These drillholes will provide additional "value-adding" with new information on hydrology and geotechnical data and improve the quality of past drill data as part of the feasibility study.

Chief Executive Officer Stephen Promnitz commented, "this is an exciting period for the company in the development of our flagship Mt Kare gold project. Backed by an outstanding development team and solid funding, and with drill rigs on site, the next few months will be very active as we aggressively advance the project through the feasibility study phase."

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Consultants have generated an updated geological model incorporating all past drill hole data, with five mineralised zones as shown in Figure 1, and including recently interpreted structural controls. The company expects to receive the JORC-code compliant resource statement from the consultants in the near future.

Mt Kare is a circa 2 million ounce gold/silver deposit, located 15 kilometres from one of the world’s largest gold mines, Barrick’s giant Porgera mine. Mt Kare shares similar geology, ore types and structures to Porgera. Located near to existing infrastructure (road & power), Mt Kare has the potential for a large open cut and underground mine, targeting 150,000 ounces/year. A pre-feasibility study is underway, scheduled for completion mid-2012.

Indochine has assembled a Tier 1 management and technical team with recent experience of delivering advanced projects in PNG. George Niumataiwalu spearheads the team and will lead the gold/silver project through the feasibility study and development phases.

The delays in commencing the program have been caused by logistical bottlenecks, especially reliable and appropriate helicopter support, hampered by poor weather. With the establishment of a new camp and regular helicopter access, these issues have been largely resolved.

**Stephen Promnitz**  
 Chief Executive Officer  
**Indochine Mining Limited**

*For further details:*

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**Competent Person Statement**

*David Meade a full time employee of the Indochine Group (Indochine Resources (Cambodia) Ltd) is a member of the Australian Institute of Geoscientists 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 Exploration Results, 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). David Meade has consented to the public reporting of these statements and results and the form and context in which they appear.*

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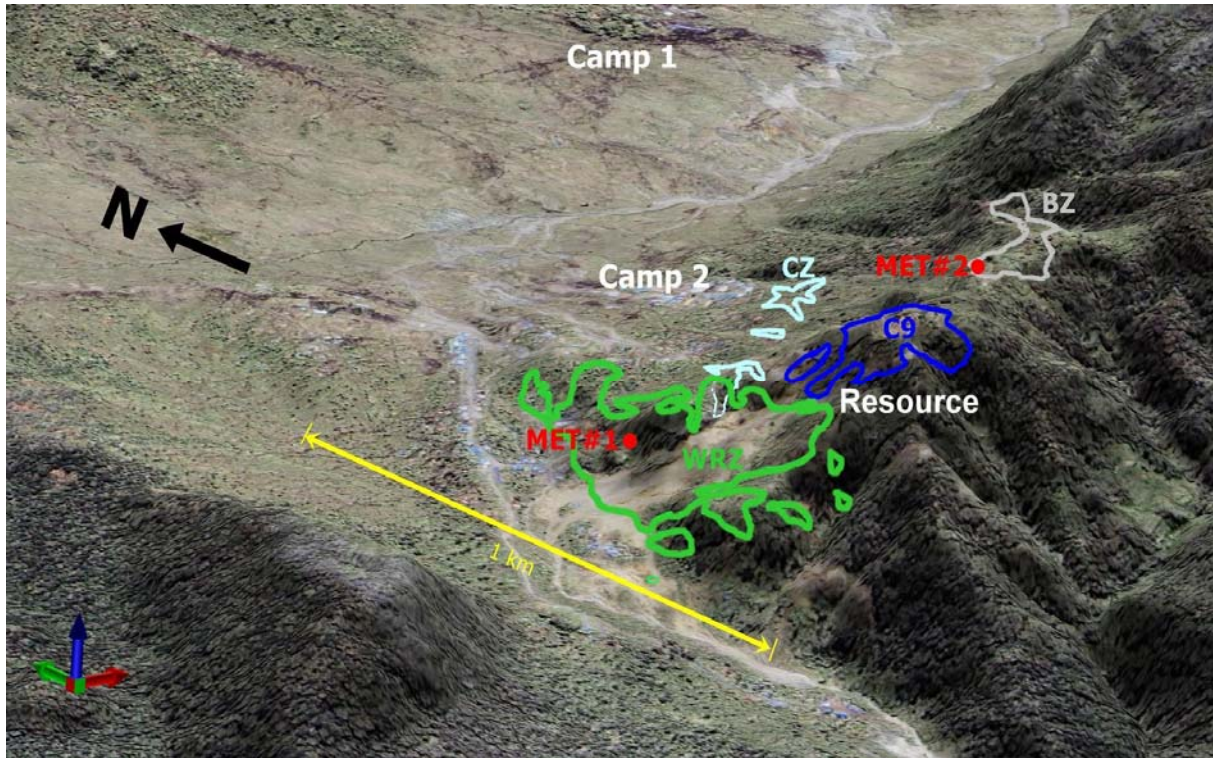
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**Table 1: Metallurgical Drill Holes – First 2 drill holes in 2000m planned program**

Drill Hole		Local Plane Grid			Azimuth	Dip °	Designed Depth m
Met Test Work	Previous Drill Hole	E	N	RL			
MKMET#01	MK98-132	19,469.7	84,272.6	2,990.0	135	-60	120
MKMET#02	MK97-16	18,866.6	84,266.8	2,849.0	135	-65	180



**Figure 1: View of Mt Kare Resource (at surface) with locations of first 2 metallurgical drill holes**



**Figure 2: Indochine’s contracted drill rig prepared for a helicopter-supported rig shift**

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