



Indophil Resources NL

**TAMPAKAN COPPER-GOLD
PROJECT**

**Presentation to:
Precious Metals Summit**

**25 January 2013
(Gavan Collery)
Hong Kong**

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The information in this presentation that relates to mineral resource estimates is based on information compiled by the Tampakan Project geology team in the Philippines and the Xstrata Copper resource evaluation team in Santiago de Chile. The mineral resource information was developed and compiled under direction of Raul R Roco, a full-time employee of Xstrata Copper and a Member of the Australasian Institute of Mining and Metallurgy (AusIMM). Raul Roco is the Competent Person as defined in the 2004 edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves' for the Tampakan mineral resource statement issued by Indophil on 27 January 2012. Raul Roco consents to the geological interpretation as contained in Indophil's announcement to the ASX on 27 January 2012 and duly summarised in this presentation. For detailed information, please refer to the ASX announcement.

**** All currencies in Australian dollars unless stated otherwise.***

Indophil - corporate information

- ASX listed: code IRN
- Issued shares: 1,203m
- Market cap: approx \$300m (@ 25c)
- Cash backing per share: approx 20 cps
- Directors:

N/E Chairman	-	Brian Phillips
CEO/MD	-	Richard Laufmann
Executive Director	-	Tony Robbins
N/E Director	-	Kyle Wightman
N/E Director	-	David Carland
N/E Director	-	Nicasio Alcantara
N/E Director	-	Frederic DyBuncio

Alsons Group = 19.99% (BDO Unibank = 17.26% beneficial interest through Alsons),
Xstrata Queensland Limited = 13.06%, Acorn Capital = 8.5%, L1 Capital = 6.6%

Indophil - overview

- **Major asset is world class – the Tampakan Copper-Gold Project ***
 - Mineral resource estimate: 2.94Bt @ 0.51% copper (JORC)
 - Contains: 15.0Mt copper and 17.6Moz gold
 - Xstrata Copper 62.5%, Indophil 37.5%

- **A non-Tampakan Philippine exploration portfolio**
 - Emphasis on gold and copper:

Itogon (gold)	Balatoc (copper/gold)
Manat (gold)	Bunawan (copper/gold)

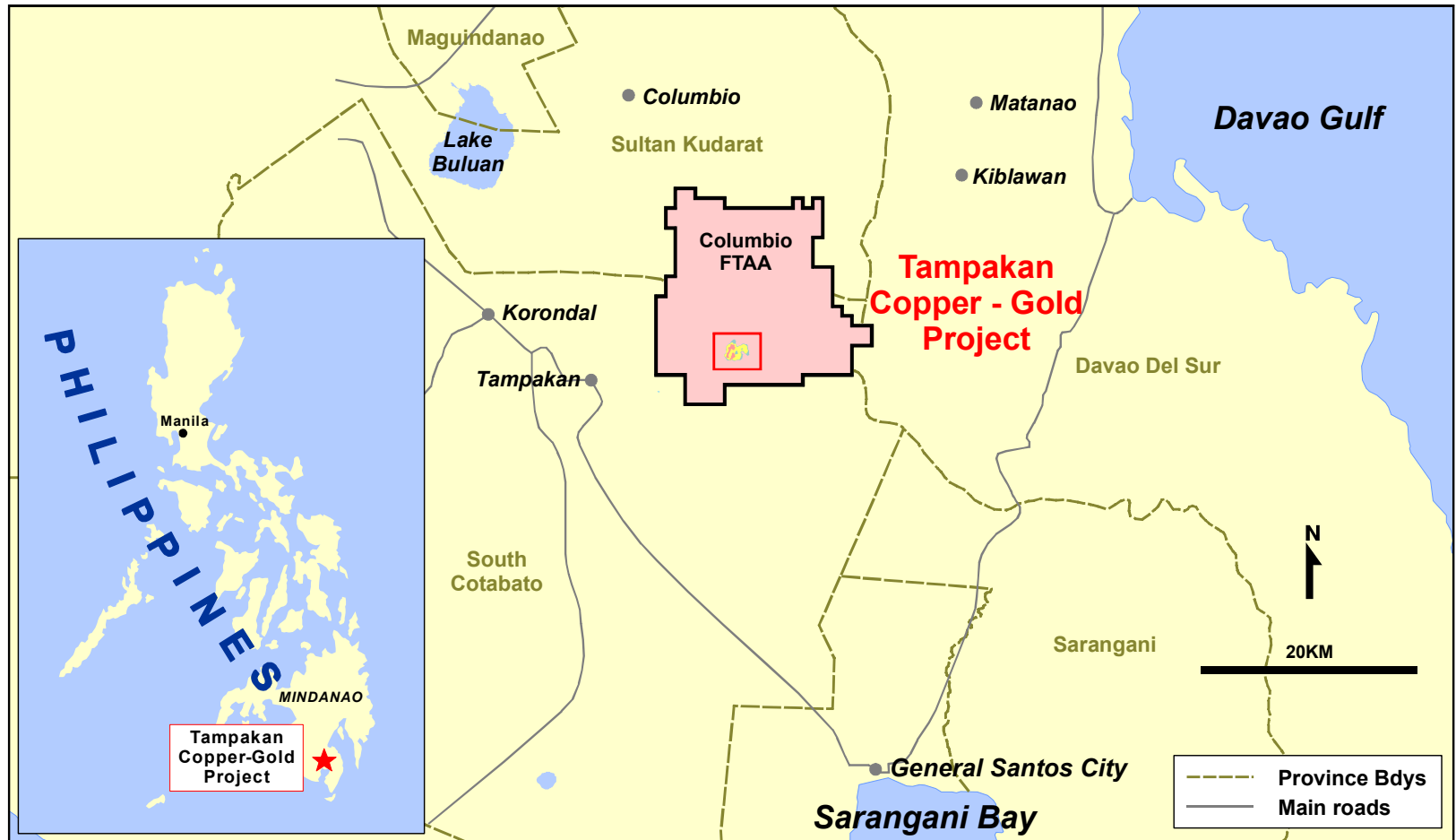
- **Strong balance sheet**
 - Net cash: approximately \$235 million

* Tampakan is held by SMI under a contract (the Columbio FTAA) to the Philippine Government, on behalf of the people of the Philippines.

Tampakan – milestones

1992	Discovered by WMC (Western Mining Corporation)
1997	WMC completes 1 st Scoping Study and Pre-Feasibility Study (PFS)
Nov 2002	Columbio FTAA (Tampakan project) transferred to SMI/Indophil
April 2006	Resource upgrade (1.97Bt @ 0.6% copper)
Sept 2006	Indophil completes 2 nd PFS – on time, on budget
April 2009	Xstrata completes Extended PFS – Final Feasibility commences
Oct 2009	Resource upgrade (2.49Bt @ 0.6% copper)
April 2010	Mine Project Feasibility Study (US\$74m) lodged with Philippine Govt
Jan 2012	Resource upgrade (2.94Bt @ 0.51% copper)

Tampakan – location



Tampakan resource estimate

	Mt	Cu (%)	Au (g/t)	Mo (%)	Cu (Mt)	Au (Moz)
Measured (M)	980	0.69	0.28	.008	6.8	8.8
Indicated (Ind)	1,290	0.45	0.16	.006	5.8	6.6
Inferred (Inf)	670	0.4	0.1	.005	2.7	2.15
Combined: M+Ind+Inf	2,940	0.51	0.19	.006	15.0	17.6

@ 0.2% copper cut-off grade. Note roundings on M+Ind+Inf contained Cu & Au estimates.
Related JORC 'Competent Person' Statement is available on Indophil's website (27 January 2012).



The prize – feasibility study (1)

- A major high-sulphidation epithermal copper-gold deposit super-imposed on a pre-existing porphyry copper-gold system
- A start-up mining and milling rate of 66Mtpa
- Life-of-mine average production (first 17 years) of:
 - 375,000 tonnes per annum (tpa) of copper (contained in concentrate);
 - 360,000 ounces per annum (ozpa) of gold; and
 - An undefined potential for molybdenum production
 - First 5 years: 450,000 tpa copper and 435,000 ozpa gold

The prize – feasibility study (2)

- Capital of US\$5 billion plus power station (\$900m)
- Milling recovery rate of:
 - 60-66% for gold
 - 79-86% for copper
 - With ongoing improvement in recoveries
 - And a copper concentrate grade target of 28-35%
- Attractive operating strip ratio of 1:1.19 (ore : waste)
- Proposed mine tenement area of 10,000 hectares (ha)



The owners of global supply agree

- Falling global Head Grades
- Capital and Operating cost escalation
- Future project pipeline is inadequate
- In last decade, over half of all discoveries were in “High Risk” or “Very High Risk” jurisdictions
- Development lead times are on average 18 years for Greenfield
- Despite record exploration expenditure, Discovery Costs have risen to ~ 3.0c/lb copper (Cu) only. Of this discovered Cu, only 60% gets developed
- There is a shortage of quality projects

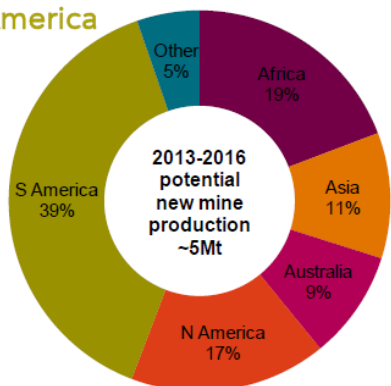
Xstrata Copper - 29 November 2012



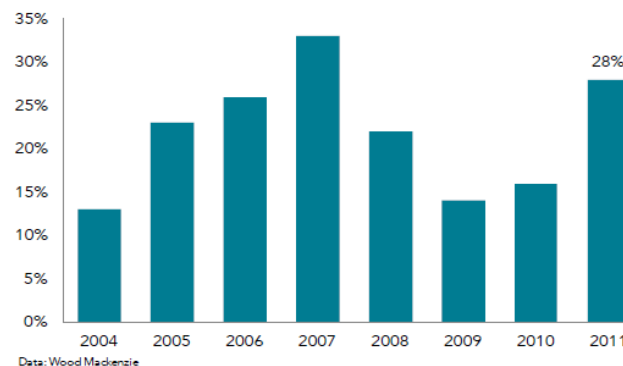
Copper supply remains constrained...

Cost escalation will limit new projects

Majority of new mine projects located in South America

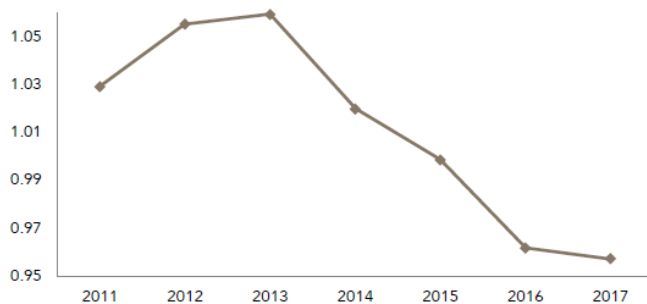


Capital cost escalation...



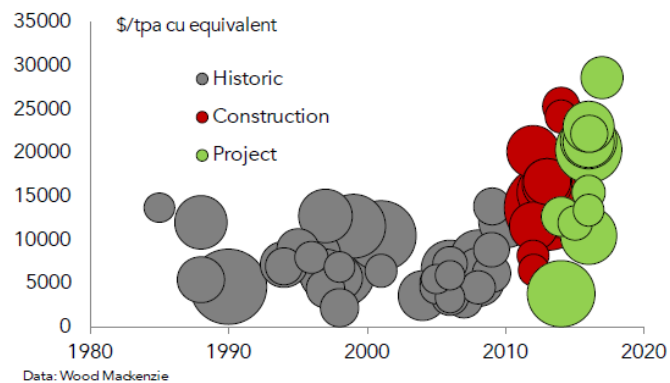
Falling head grades

Primary Copper head grade, %



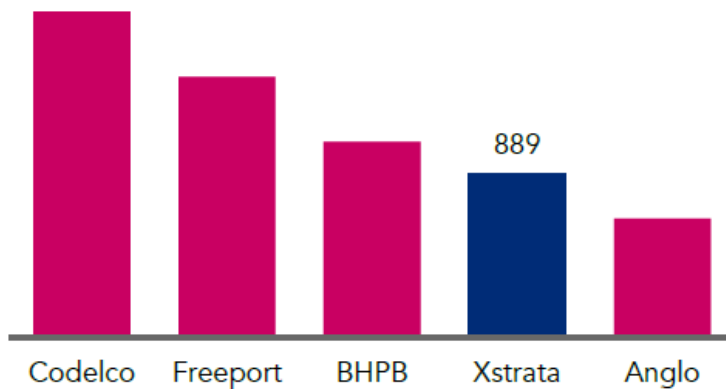
Data: Xstrata Copper, Wood Mackenzie

...drives high capital intensity of new projects

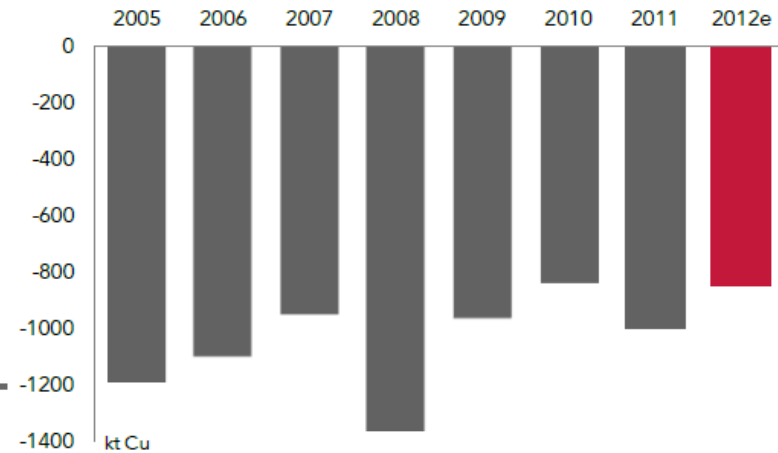


Xstrata Copper – 29 November 2012

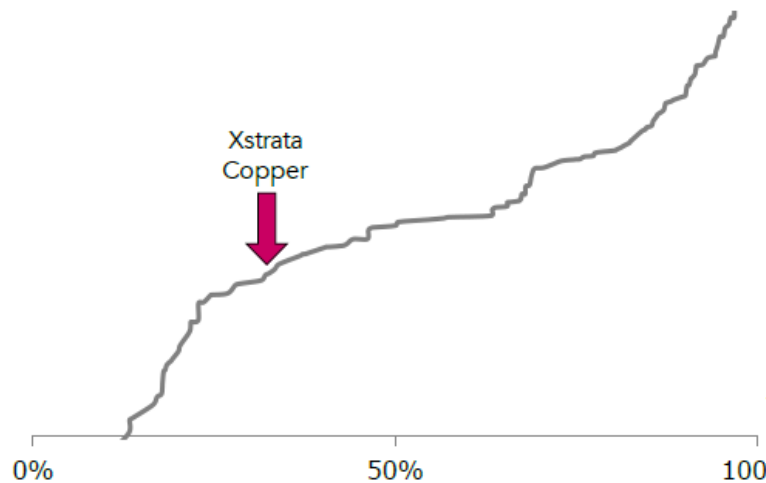
Mined Copper Production (kt) in 2011



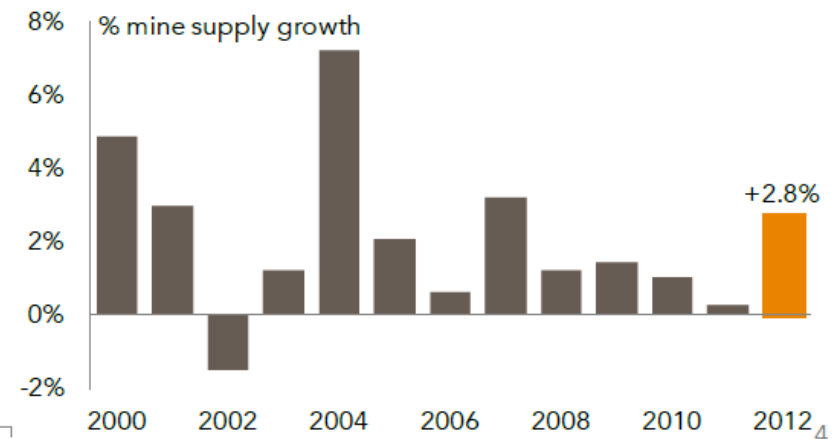
High rate of mine disruption



2011 C1 Normal cash costs (c/lb)

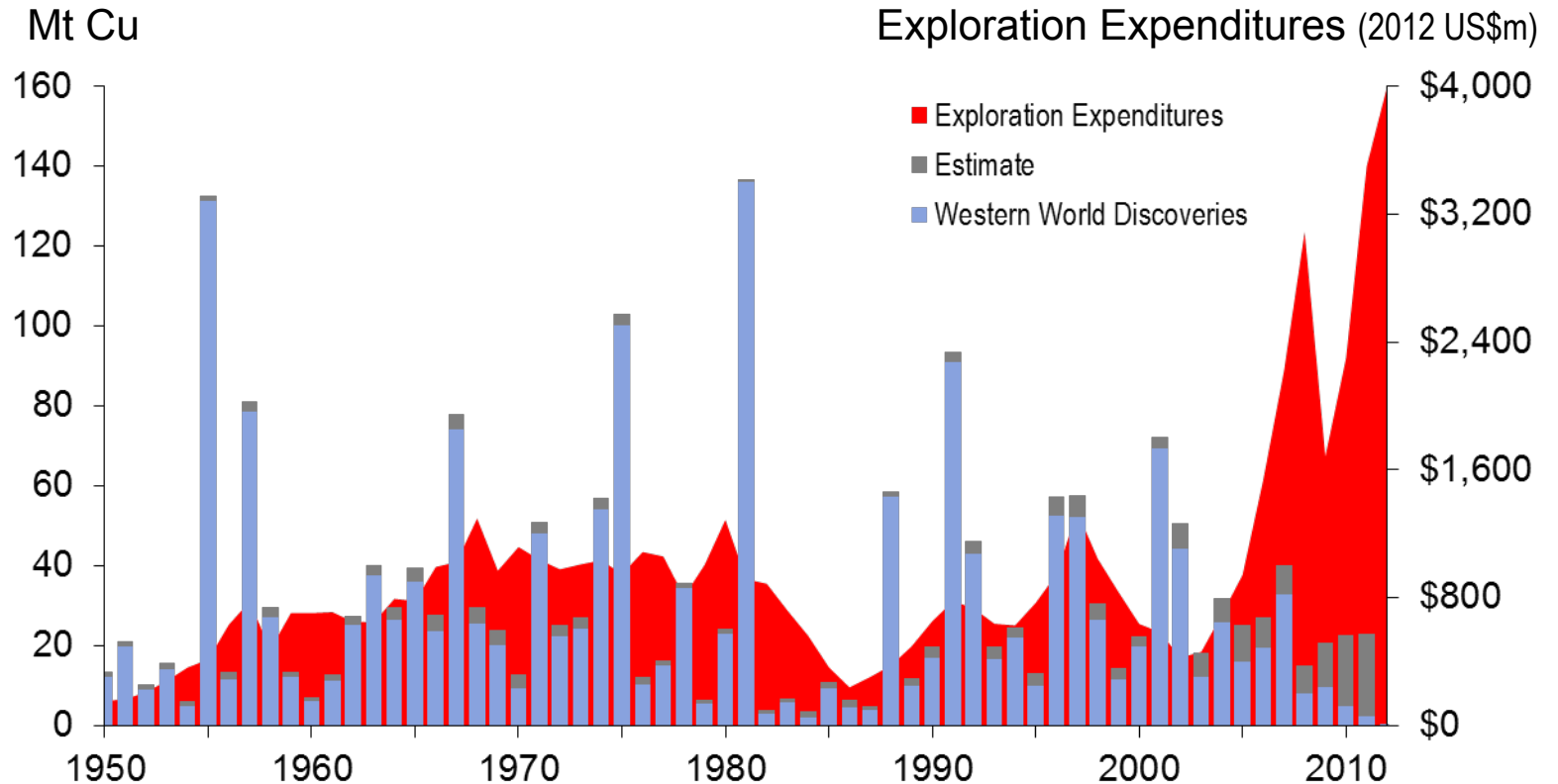


Limited global mine supply recovery in 2012



Expenditures are up, but discoveries down

Primary copper deposits >0.1 Mt Cu found in Western World: 1950-2011



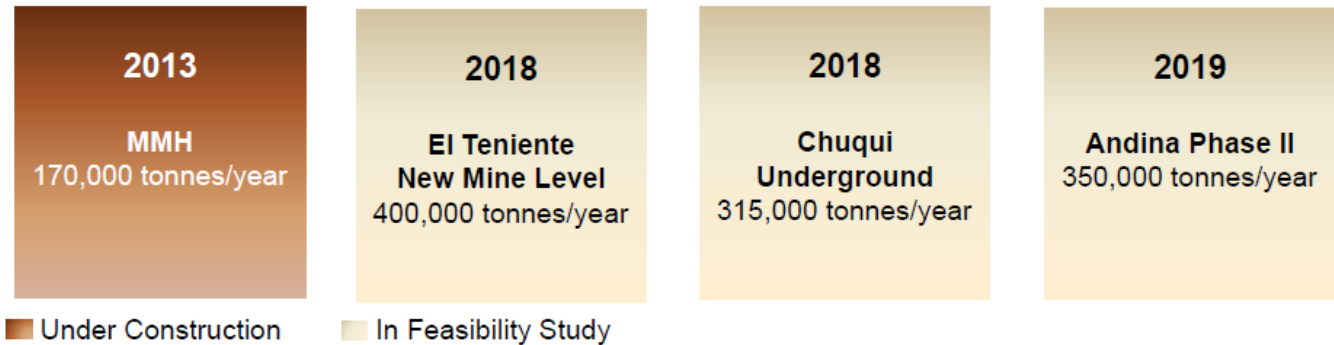
Note: Estimate includes adjustments for deposits with no discovery year and deposits missing from the database.

Source: MinEx Consulting © Sept 2012

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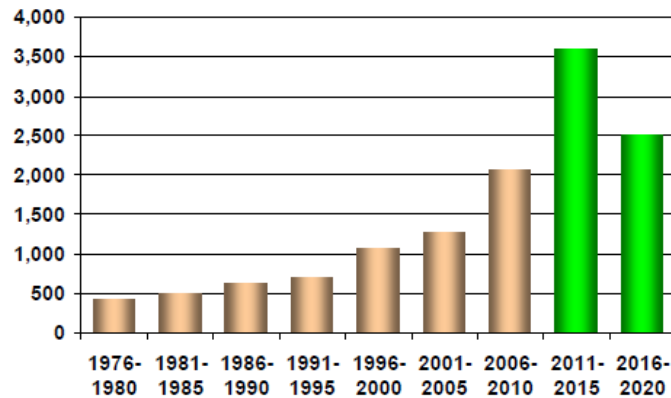
Codelco: an unprecedented investment challenge (\$28 Billion to maintain current production)

Codelco's Main Short Term and Structural Mining Projects



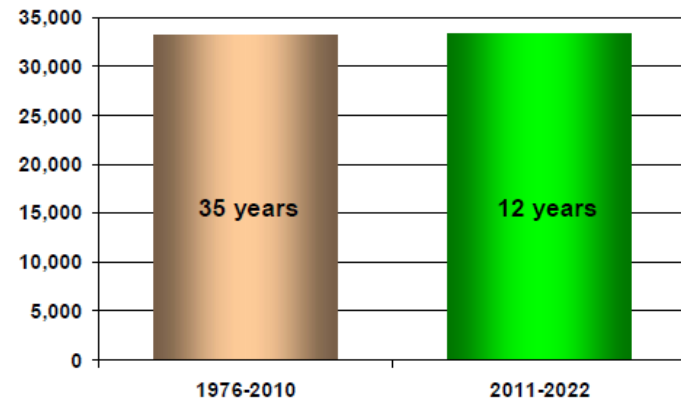
Past and Future Capex Program Overview

Annual Average of Investments by Period

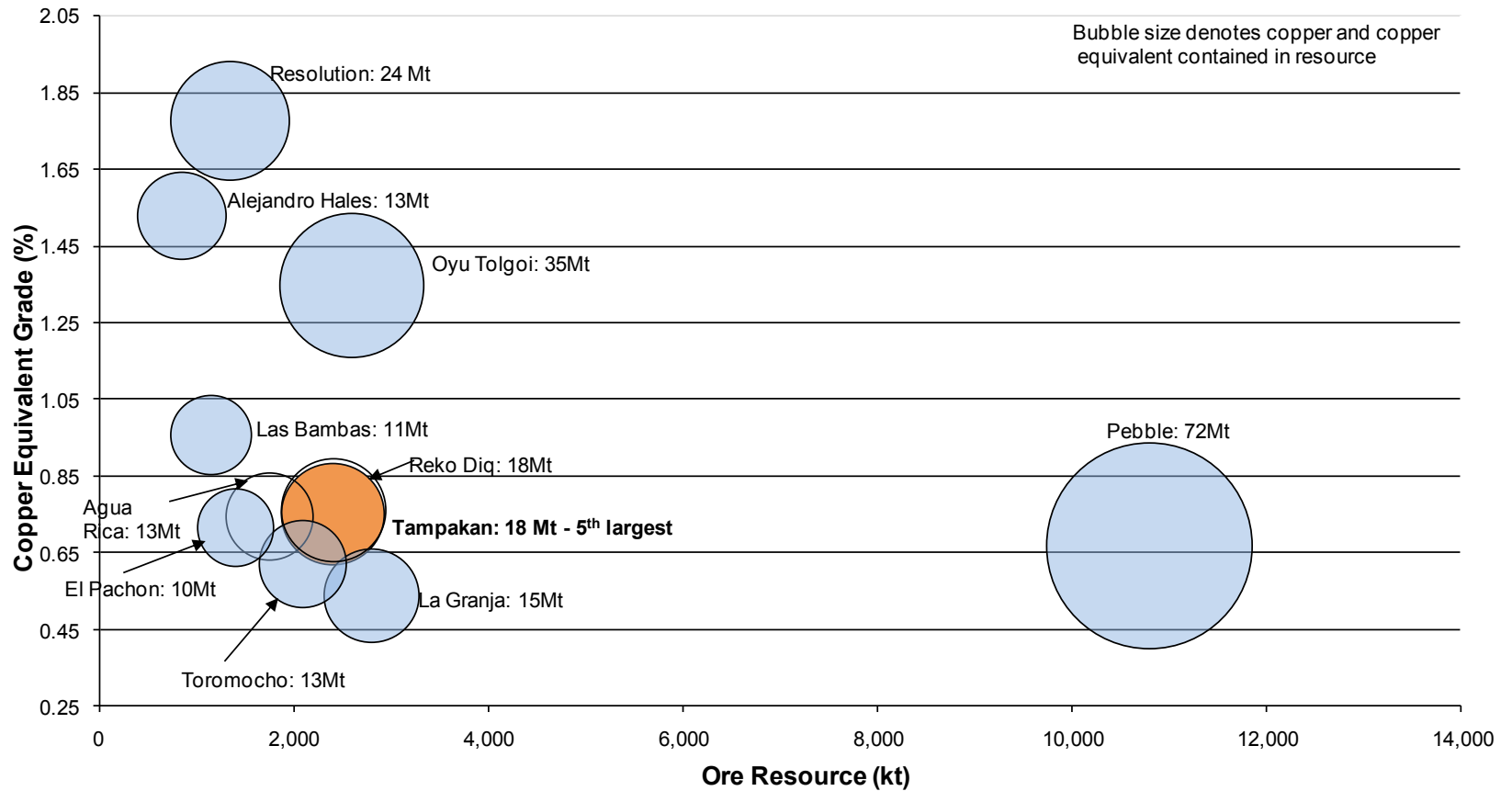


* Preliminary investment figures

Total Investments by Period



10 largest copper projects in the world



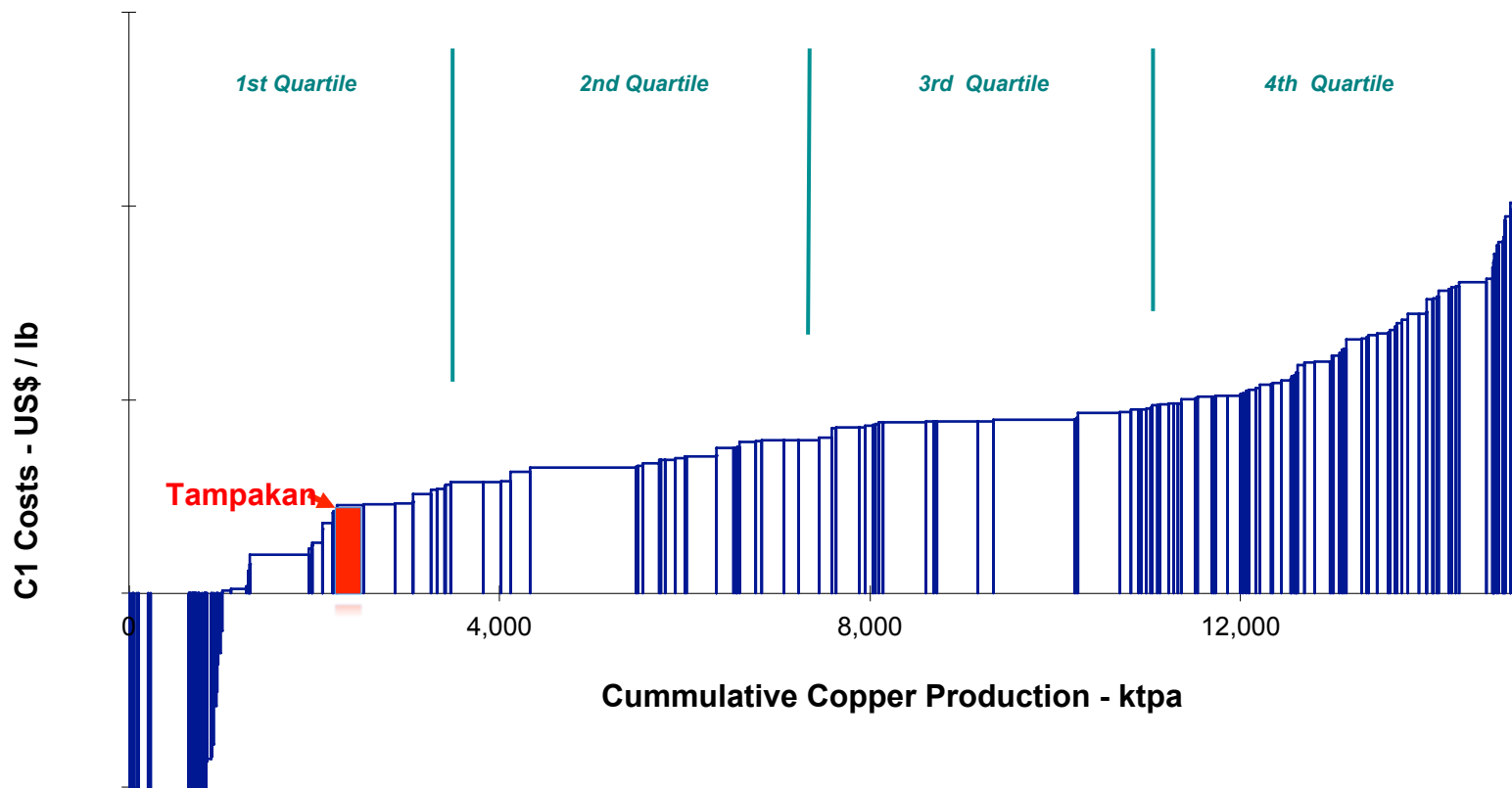
Source: Xstrata Copper, March 2010

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Tampakan Project

A potential low cost producer

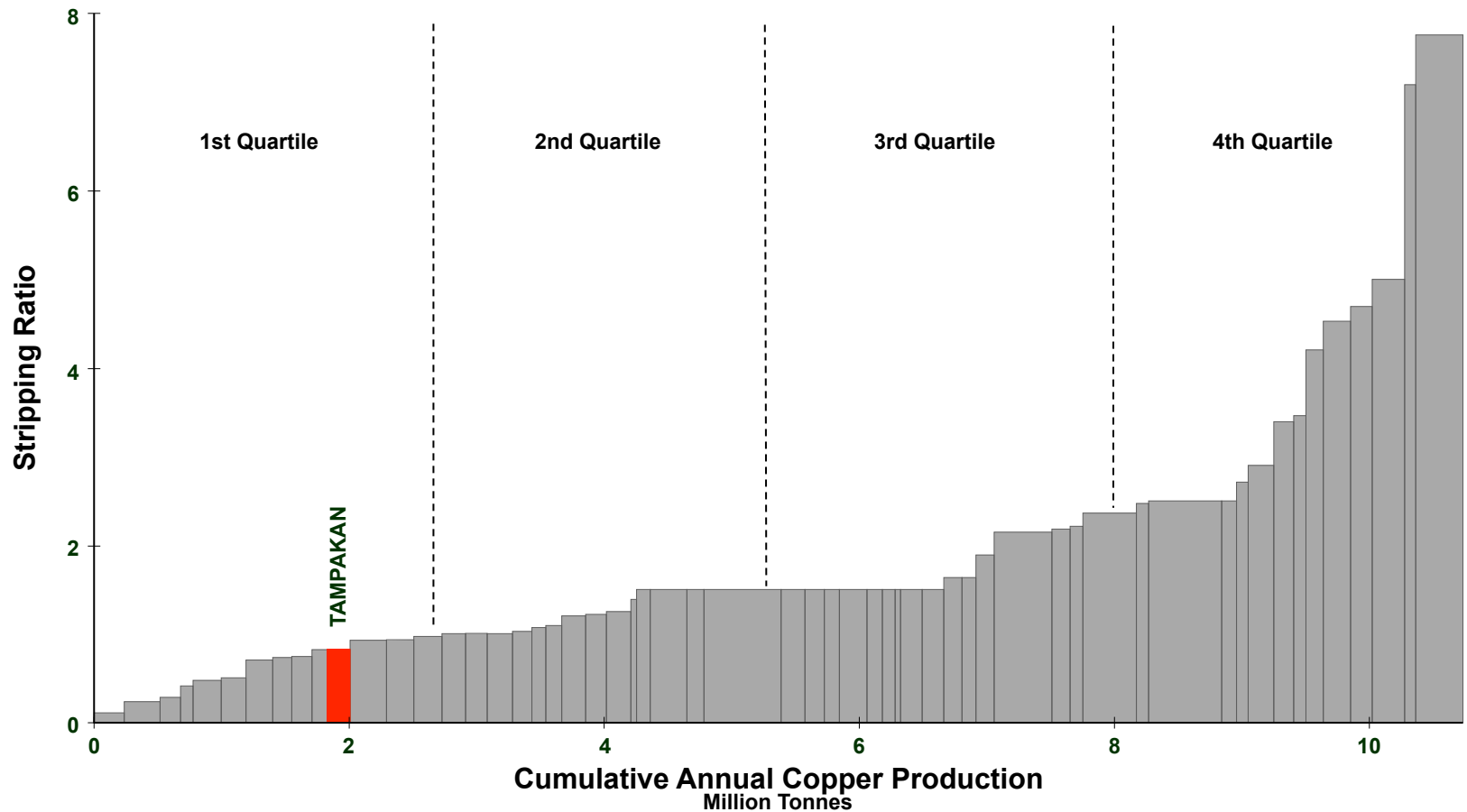
Current Copper Producers - Cost Performance (C1 After By-Product Credits) 2009



Source: Indophil and Brook Hunt Q1, 2009

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Stripping ratio of future copper projects



Source: Indophil and CRU | Analysis; Copper: the Long Term Outlook 2008 Edition

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The value proposition (USD)

- At Indophil's recent share prices*, Tampakan is valued 0.6c/lb**
- Discovery Cost alone is ~ 3c/lb
- As only 60% of discovered deposits convert to mines replacing Tampakan with discovery will cost at least 5c/lb and take 18 years
- Add to this >\$500m expenditure by Joint Venture since 2005 and Tampakan would cost 6.5c/lb to discover and take to Feasibility

* Prices in US currency. A\$1 = US \$1.05 rate of exchange. Share prices as at COB 18 January 2013

** Calculated after cash

So where are we now?

- In the shadow of an unresolved provincial ban on open pit mining
- The level of uncertainty and ‘risk’ in Philippines’ mining has been of concern
- For an issue that is seen domestically as ‘local politics’, yet contrary to national law (Mining Act 1995)
- **We welcome the recent engagement of the Philippine Government in brokering a solution – we now have a Presidential directive and new Mining Policy that requires local government units (LGUs) to comply with national laws**
- **And this is reinforced by a timely Dept of Justice (DOJ) opinion on illegality of the ordinances and a Dept of Interior and Local Govt (DILG) order for LGUs to comply**

What other challenges?

- Mine environmental approval process lagging – conditional deferral (re: open-pit ban):
 - Motion for reconsideration filed (27 January 2012)
 - Formal denial of reconsideration (14 June 2012)
 - An appeal has been lodged with Office of the President (we await a response)
- The May 2013 elections across the Philippines:
 - Senate (half plus one), Congress (all seats)
 - Governors, Mayors, Councillors (all of them)
 - But not the President or Vice President

And the opportunities?

- Glencore's acquisition of Xstrata
 - A very positive development for Indophil because . . .
 - PASAR (copper smelter and refinery: Glencore 78% - been there since 1999)
 - And Glencore:
 - knows the Philippines and has a global . . .
 - reputation for pursuing value from assets
 - The lure of downstream processing – local ore to metal?
- Indophil's powerful in-country investors
 - Invested in Indophil despite in-country issues
 - The Alsons Group, funding by BDO Unibank, San Miguel Corporation, Philex Mining

Tampakan timeline

- Mine Final Feasibility (submitted) 2010
- Mine ECC* applications (environment) 2011
- FPIC* (community) 2013
- Offsite EIAs* (various) 2013
- DMF* expectation (approval) 2014
- Construction program (start up) 2015**
- First production 2019**

* ECC = Environmental Compliance Certificate. FPIC = Free Prior Informed Consent.
EIAs = Environmental Impact Assessments. DMF = Declaration of Mining Feasibility.

** First production date revised on 12 December 2012.

Thank you – questions?





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