

# Tampakan Copper-Gold Project



STATUS REPORT – FEBRUARY 2005

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# **CORPORATE PROFILE** (as at 14/02/05)

## ■ **Capital Structure**

- Issued Shares ..... 225.31M
- Options..... 8.48M

## ■ **Market**

- Listed.....ASX (IRN)
- Share Price (14/02/05)..... 49 cents
- Market Capitalisation..... A\$110.4M

## ■ **Major Shareholders**

- |                                      | %     |
|--------------------------------------|-------|
| • Lion Selection Group.....          | 31.93 |
| • Xstrata Queensland Ltd.....        | 3.77  |
| • JP Morgan Nominees Australia Ltd   | 3.31  |
| • ANZ Nominees Limited.....          | 3.21  |
| • Becalm Pty Ltd & Elmlore Pty Ltd.. | 3.03  |

# Project Ownership/Interests

- **Columbio FTAA:** A Partnership Agreement between Sagittarius Mines Inc & the Government of the Philippines
  - **Sagittarius:** A Philippines incorporated & unlisted company
  - **Sagittarius Equity:**
    - Tampakan Group of Companies..... 60%
    - Indophil & Alsons Corporation..... 40%
  - **Current Beneficial Interests in Project\***
    - Indophil.....95%
    - Alsons Corporation .....5%
  - **Xstrata** – Option to acquire 62.5% Project Beneficial Interest for pro-rata sunk costs and a premium escalating to A\$23.9M after 5yrs
- \* Entitlements to proceeds from future mine production less certain payments, dividends and royalties that equate to 1.5% of the gross income

# ACHIEVEMENTS

- Secure title to the largest undeveloped copper - gold deposit in Southeast Asia
- Supreme Court Issue Resolved
- Lepanto Issue Resolved
- Support from Philippine Government
- Dramatic progress on Arsenic Issue
- New High grade position
- Scoping Study Completed
- Preliminary Feasibility Study in progress
- Appointment of P Dominguez to SMI Board



# PROJECT SPECIFICS



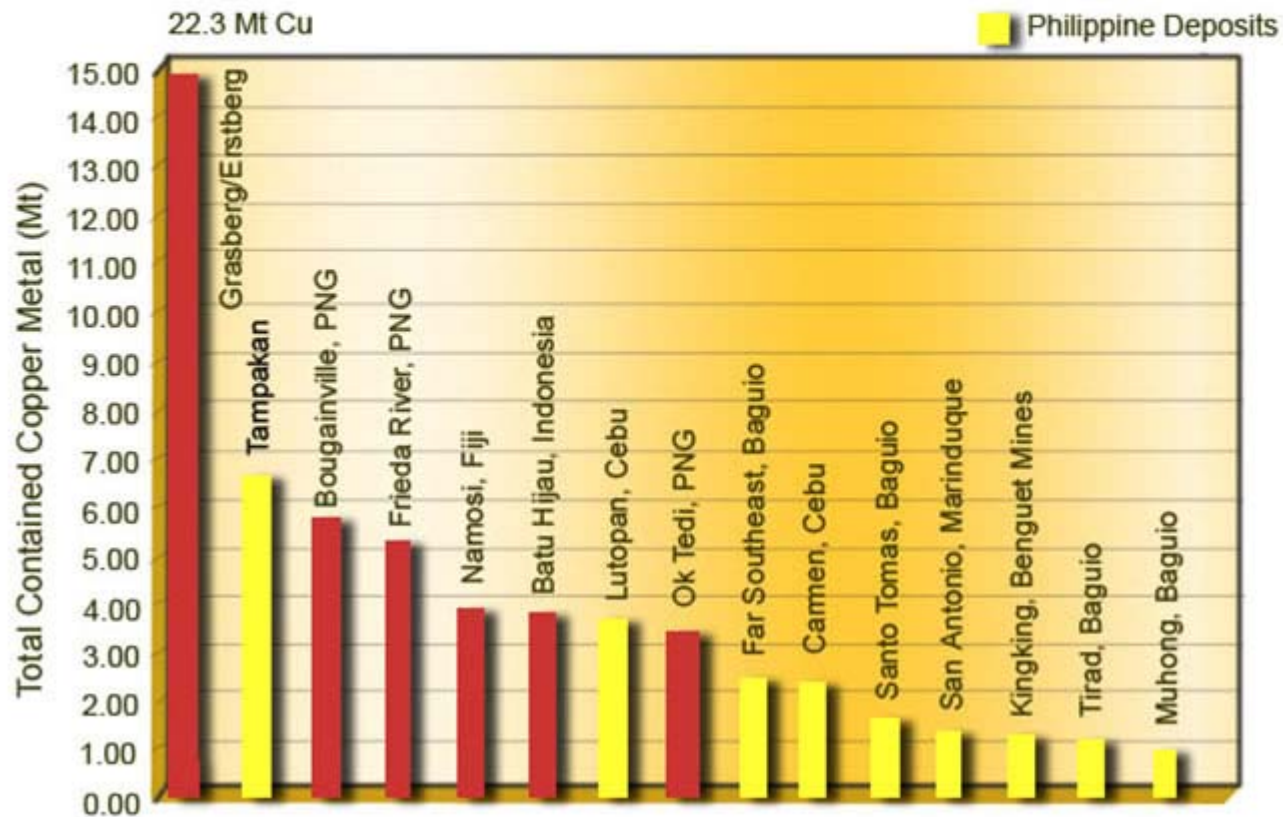


## Key Points

- Tampakam Copper-Gold Project – the largest undeveloped copper-gold resource in Southeast Asia
- 7.7 million tonnes of copper and 10.1 million ounces of gold (0.3% copper COG) with significant higher-grade zones
- Current economic studies point to an open pit mine to produce an estimated:
  - 140,000 tonnes of copper p.a.
  - 145,000 ounces of gold p.a.
  - US\$340M (net of smelting, royalties, etc)
- Preliminary Feasibility Study in progress

# Tampakan Deposit – Relative Size

## SW Pacific Arcs: Deposits Containing Over 1 Million Tonnes Copper



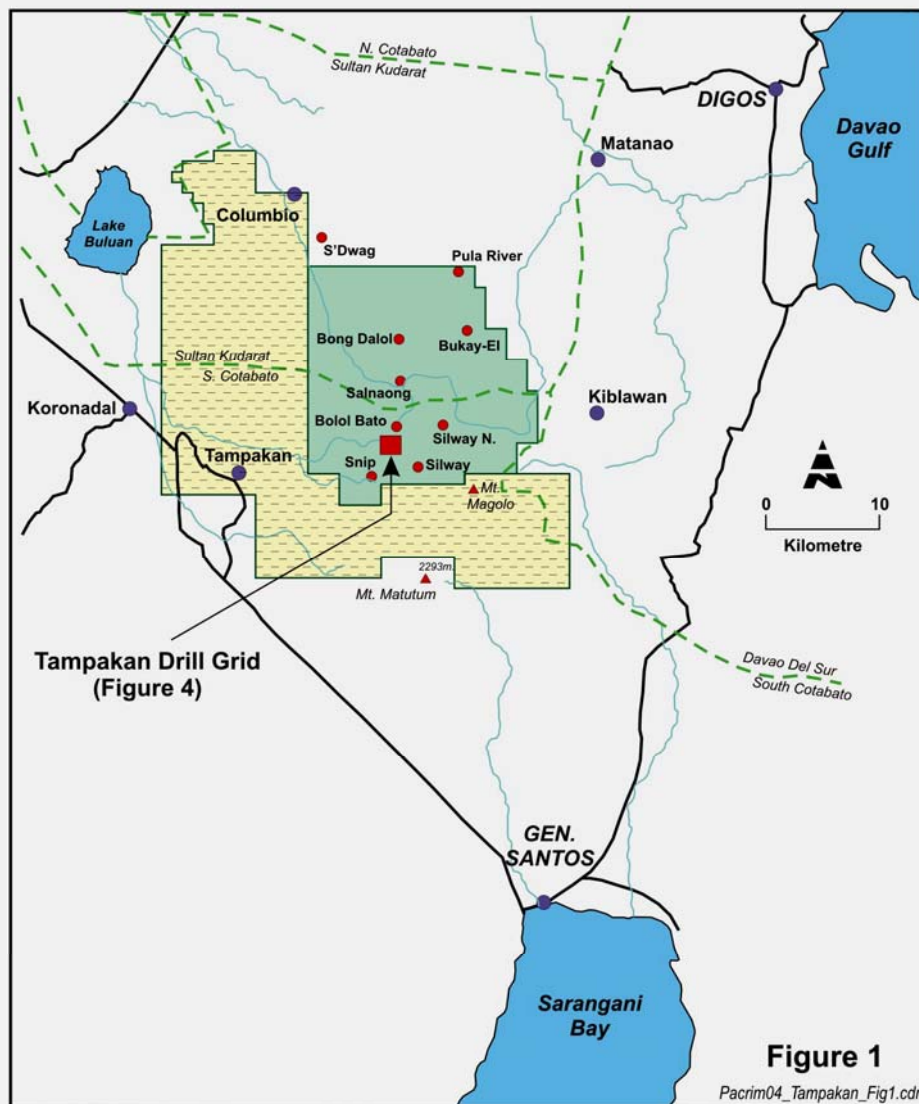
Source: M Norris 1998



# Makati CBD & Manila Airport



# Project Location

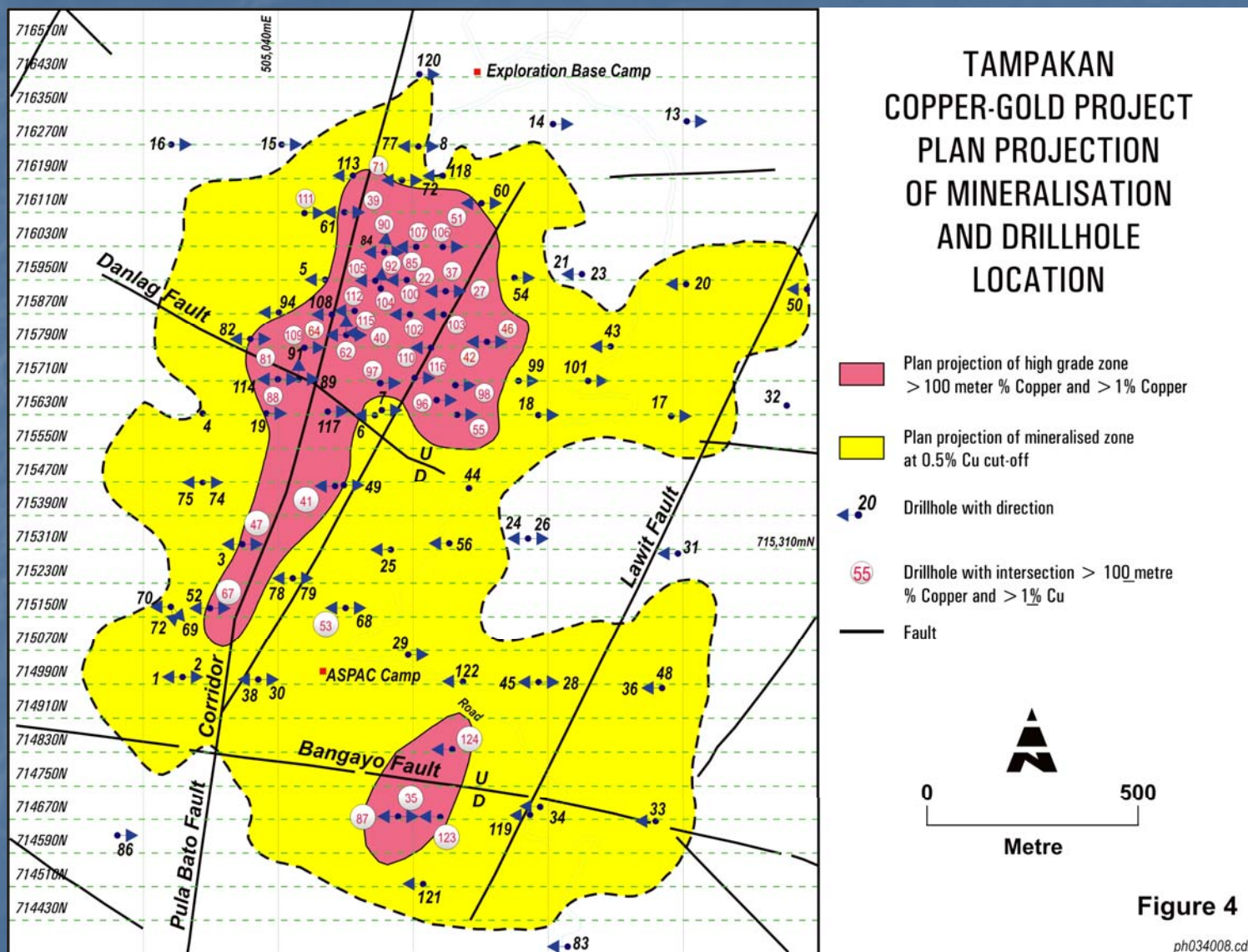


- Tampakan Cu-Au Deposit
- Other prospects
- Columbio FTAA
- Hillcrest FTAA Application
- Provincial Boundary
- Major Road
- City or Town

Location Diagram:  
Tampakan  
Copper-Gold  
Deposit

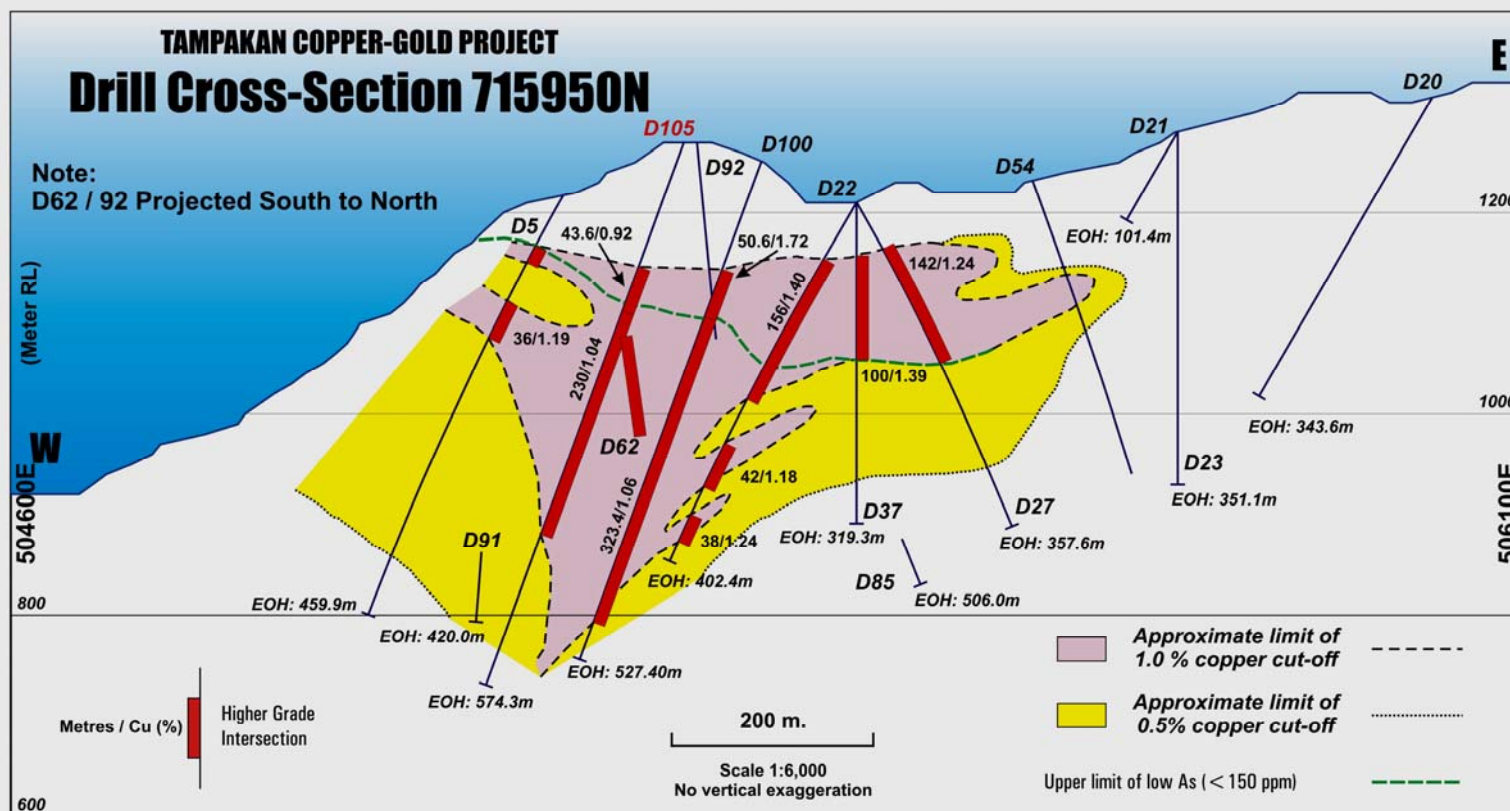


# Deposit Plan Projection



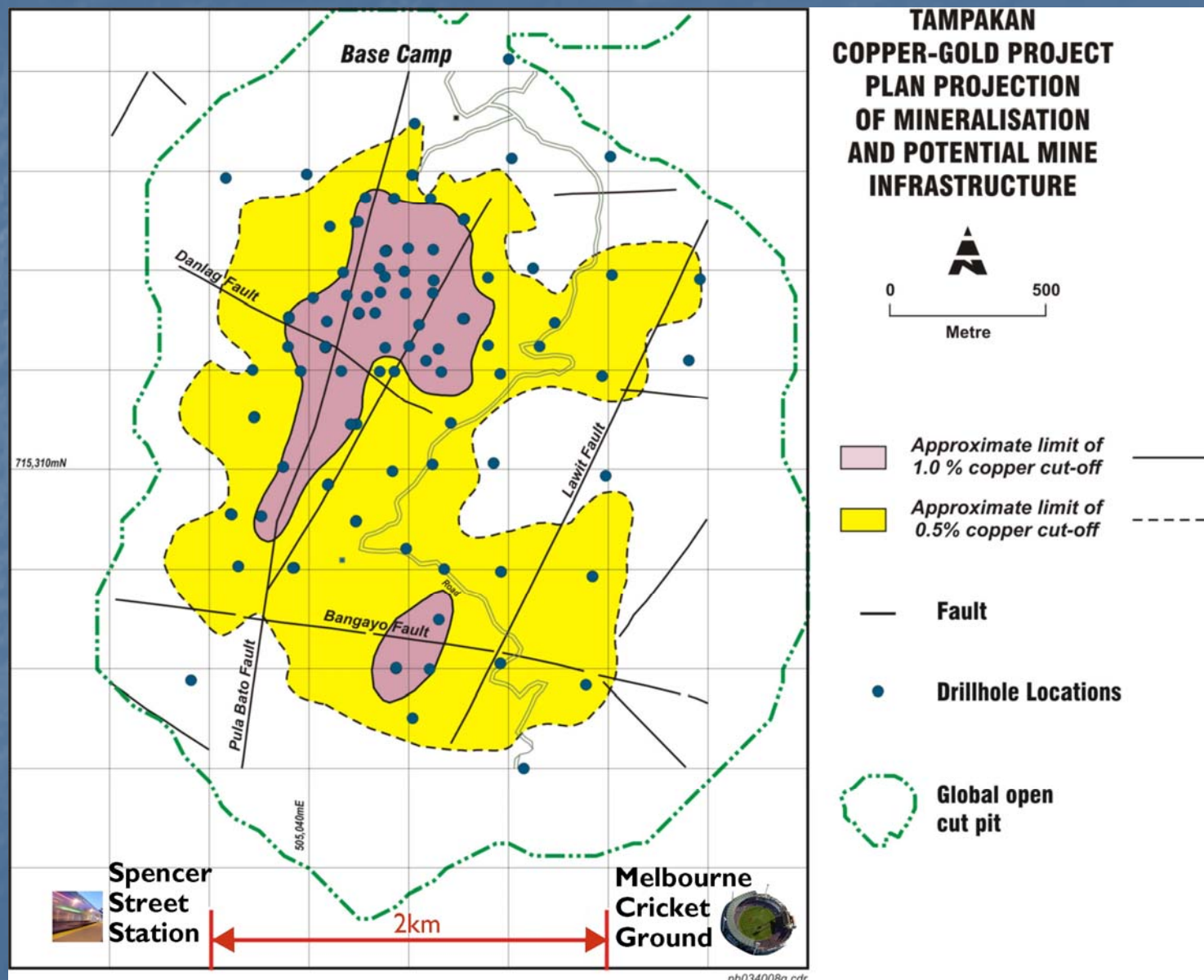
**Note: TMPD124 (Southern Zone) – 229m @ 1.46% Cu, 0.64g/t Au**

# Drill Section 715950N





# Potential Mine Infrastructure



# TAMPAKAN – Indicated & Inferred Resources (JORC)

COG Cu(%)	Mt	Cu (%)	Au (g/t)	Cu Eq. (%)	Cu (Mt)	Au (Moz)
0.2	1,413	0.58	0.24	0.73	8.25	11.09
0.3	1,179	0.65	0.27	0.80	7.68	10.05
0.4	928	0.73	0.29	0.90	6.79	8.75
0.5	700	0.82	0.32	1.01	5.77	7.29
0.6	530	0.91	0.36	1.12	4.83	6.05
0.7	396	1.00	0.39	1.23	3.97	4.96
1.0	149	1.29	0.50	1.58	1.92	2.40

Source: Hellman & Schofield Dec 2004

Mt = million metric tonnes, Cu Eq (%) = Cu + 0.58 x Au value

Resource estimation within a conceptual open pit with prices of US\$380/oz Au and US\$1.25/lb Cu assumed for pit base definition

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# TAMPAKAN – Potential Mineralisation

H & S have described the mineralisation potential external to the immediate copper and gold resource as being similar in magnitude (tonnage) albeit with lower grades based on:

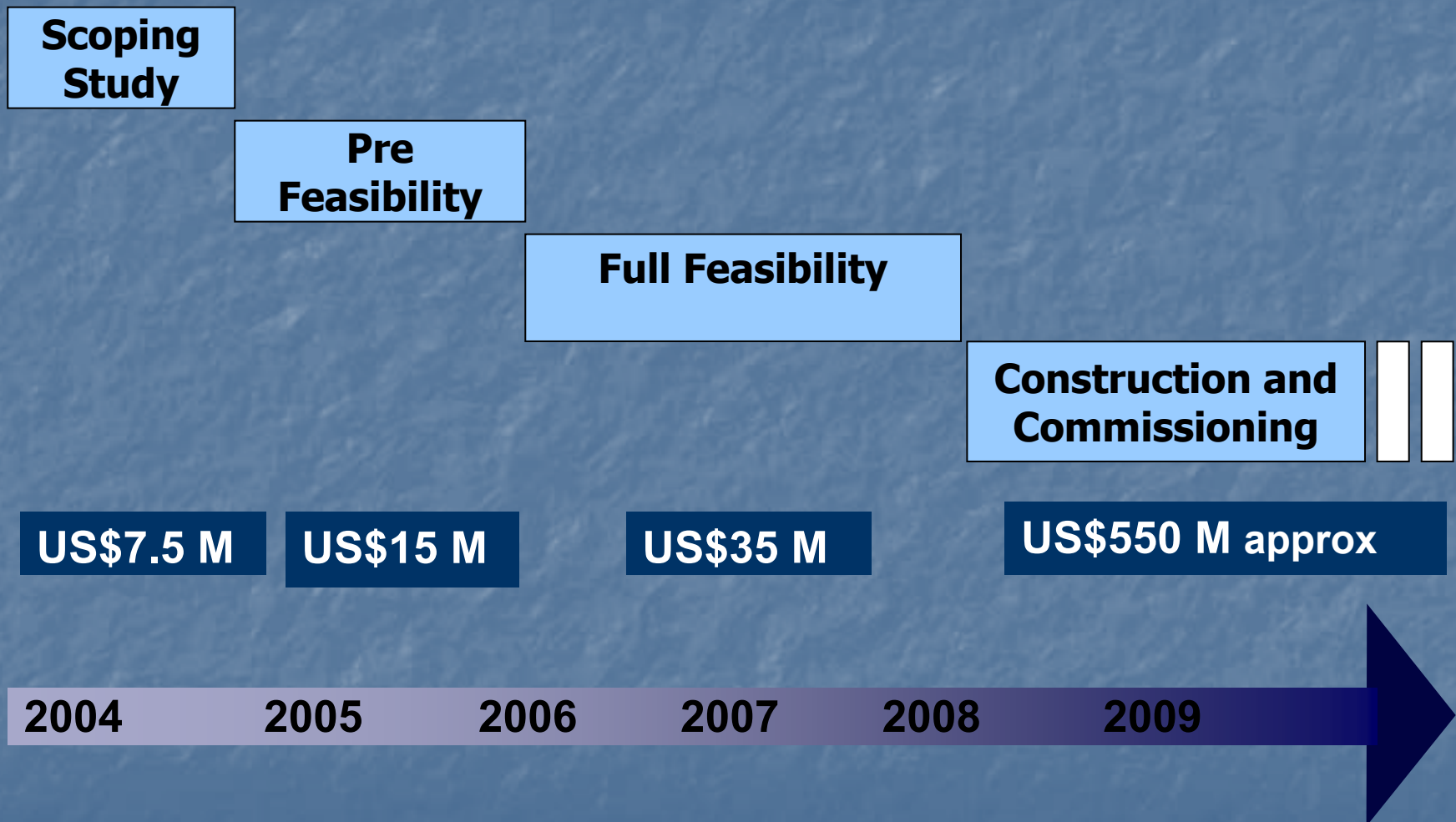
- 0.3% copper at base of 41% of existing holes
- lack of drill closure on most drill sections
- Mineralisation over a wide area external to the main zone of focus

COG Cu(%)	Tonnage Range (Mt)	Cu (%)	Au (g/t)	Cu (Mt)	Au (Moz)
0.2	500-1200	~0.4	~0.2	2-6	3-7
0.5	150-300	~0.6	~0.2	1-2	1-2

**Source: Hellman & Schofield July 2004**

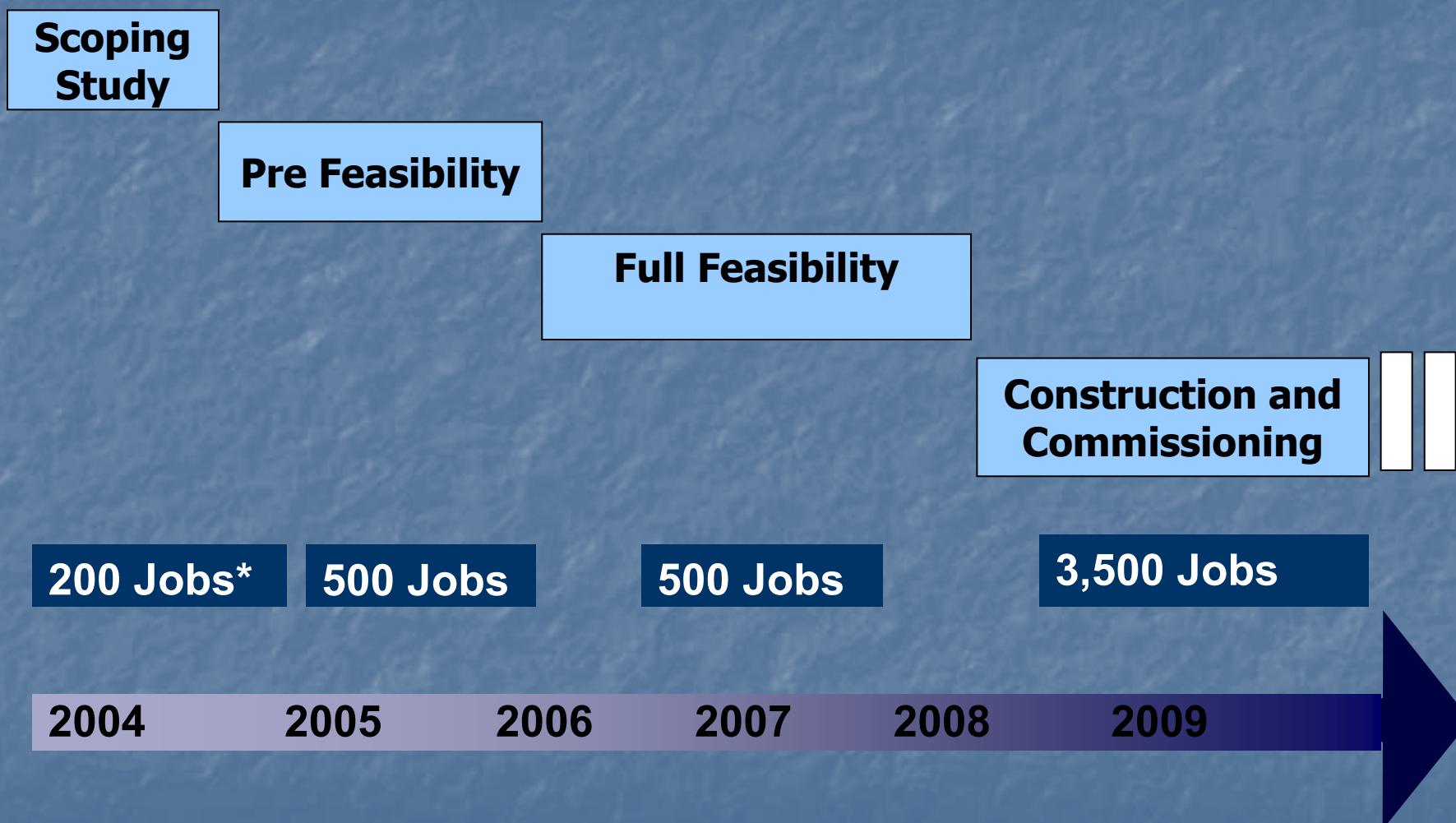
Mt = million metric tonnes, Cu Eq (%) = Cu + 0.58 x Au value  
Potential mineralisation contained within a conceptual open pit.

# Project Schedule - Expenditure





# Project Schedule - Employment



\* Full time Job equivalents

# Community and Environment

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## SAGITTARIUS MINES

Is proud of its Community and Environmental Achievements

Awarded Presidential Environmental Award 2004

Awarded ANZCHAM Environmental Award 2002

Recognised for worlds best practice in  
Community Affairs, Environment and Safety



# Environmental Program

- Environmental Guidelines & Programs Developed
  - Environmental Code of Conduct & awareness program
  - Community-based environmental monitoring programs (CBEMP)
  - Management and Rehabilitation Program
- Planting Forest Buffer Zones
- Baseline Environmental Studies Well Advanced
- Environmental Impact Assessment Studies
  - Technical Scoping with EMB (DENR) completed
  - Successful Public Scoping session held at Tampakan



# Environmental Activities

- Environmental Research Programs with:
  - University of Philippines Los Banos
  - Notre Dame University Marbel
  - Leyte State University
- Forest and Agriculture Field Trial Station Established
- Reforestation and Riverbank rehabilitation program
- Community seedling cultivation program
- Target of 60,000 seedlings annually
- Coffee and Fruit tree nursery with 25,000 plants
- Waste management program for schools and barangays
- Community based Environmental monitoring in place





# Community

- Agreements in place with Local Government units
- Agreements in place with 5 Indigenous People's Groups
- Annual Grants directed towards:
  - Education
  - Health
  - Sustainable development projects (High value crops)
  - Local infrastructure projects



# Community Activities

## Community Development Fund Assistance

- A\$370,000 annually direct to Communities
- A\$240,000 annually in other Company support

## Education Support

- A\$120,000 annually ---1885 scholars at present
- Four new Schools built
- One school renovated
- Free Elementary and High School education for all affected communities

## Community Services

- Midwife and clinic in each Barangay
- Road maintenance, Power and Water supplies
- Livelihood projects established
- Community Centres established
- Computers for each Tribal Foundation





# Project Highlights (US\$M)

Conceptual Open Pit with initial 24 year operating life  
Commodity prices: US\$0.90/lb copper, US\$350/oz gold

## ■ Production

Copper in concentrates .....3.34million tonnes  
Gold in concentrates .....3.45million ounces

## ■ Financial

Capital.....	US\$600
Revenue (net of smelting, royalties, etc).....	US\$5,980
Total Operating Costs.....	US\$3,010
Taxation.....	US\$976

## ■ Employment

Construction	3500 est.
Production	2000 est.

# CHALLENGES AHEAD

## Technical

- Rock waste and tailings disposal
- Metallurgical

## Environmental

- Adopting Standards and Practices that will ensure Community support

## International Opposition

- Anti mining stance of International NGO's



**Thank You**

