



Zijin Mining Group Co., Ltd.*
紫金礦業集團股份有限公司

(a joint stock limited company incorporated in the People's Republic of China with limited liability)



Indophil Board unanimously recommends \$1.28 per share cash takeover offer from Zijin Mining

Indophil Resources NL (ASX:IRN) has agreed terms with Zijin Mining Group Company Limited for a recommended takeover offer of Indophil for A\$1.28 cash per share.

Zijin is the largest gold producer and third largest copper producer in China.

The Offer

Zijin will make a cash offer for all issued shares in Indophil held by all Indophil shareholders at A\$1.28 per share, valuing Indophil's share capital at approximately A\$545 million (on a fully diluted basis).

The proposal represents:

- an 18% premium to the closing price of Indophil shares of \$1.085 on 26 November 2009 (being the last trading day prior to announcement of the offer); and
- a substantial 83% premium to Indophil's six month volume weighted average price of \$0.70.

The proposal will be implemented through an off-market takeover offer for Indophil, which will be subject to certain conditions set out in Schedule 1 including a 90% minimum acceptance condition and the obtaining of regulatory approvals.

It is anticipated that Zijin's Bidder's Statement will be lodged by 18 December 2009.

Unanimous recommendation by Indophil's Board

Indophil's Directors have resolved to unanimously recommend that shareholders accept the offer, in the absence of a superior proposal. The Directors will accept the offer for their own holdings of Indophil shares (including any shares issued on the exercise or conversion of options or performance rights) within 14 days from the commencement of the offer, in the absence of a superior proposal.

Indophil Chairman, Mr Brian Phillips, said that the Indophil Directors were pleased to recommend the proposal.

"This is an excellent outcome which unlocks value for Indophil's shareholders from the Company's minority ownership position in the world-class Tampakan Copper-Gold Project.

"The Zijin proposal recognises Tampakan's inherent value and follows a comprehensive ownership review process in which the Board, management and advisers have considered a range of strategic alternatives and proposals from interested parties.

"It is also a positive outcome for the project and the people of the Philippines – Zijin is well positioned to fund its share of Tampakan's capital expenditure estimate of US\$5.2 billion."

Pre-Bid Agreement with Xstrata

Zijin has entered into a pre-bid acceptance agreement with Xstrata Queensland Limited, Indophil's major shareholder and majority partner in the Tampakan Project. This provides Zijin with a relevant

interest in Indophil of 19.99%, indicating Xstrata's support for the transaction, in the absence of a superior proposal.

Takeover Implementation Agreement

Indophil and Zijin have entered into a Takeover Implementation Agreement to progress the offer. The agreement restrains Indophil from soliciting further proposals and provides for a A\$5.45 million break fee payable to Zijin in certain circumstances, including a successful counter proposal and a withdrawal of recommendation of any Indophil Director.

A summary of the agreement is attached at Schedule 2.

Acceleration of arrangements with Alsons

Simultaneously with this announcement, Indophil advises that it has agreed with Alsons Corporation to immediately accelerate Indophil's acquisition of Alsons 3.27% interest in the Tampakan Project. Consideration for the acquisition comprises the issue of 25.9 million shares. The acceleration of the acquisition has the effect of enabling Zijin to acquire Alsons 3.27% interest in the Tampakan Project as well as Indophil's 34.23% interest.

Indophil is being advised by Gresham Advisory Partners Limited, Freehills and Baker & McKenzie.

Zijin is being advised by Charltons Hong Kong and Minter Ellison.

For further information regarding Indophil, please contact:

Richard Laufmann
Managing Director & CEO
Indophil Resources NL
T +61 (0)3 8620 5800

Craig Jenz
Executive Director
Gresham Advisory
Partners Limited
T +61 (0)3 9664 0372
M +61 (0)400 634 979

Gavan Collery
Manager Corporate Affairs
Indophil Resources NL
T +61 (0)3 8620 5803
M+61 (0)419 372 210
gavan.collery@indophil.com

Background information on Indophil and Zijin

About Indophil and Tampakan

Indophil Resources NL was incorporated in 1996 to acquire, explore for and develop gold and copper-gold opportunities in the Philippines, elsewhere in South East Asia and in broader horizons where opportunities exist to enhance and maximise shareholder value.

The Company's focus has been the development of the world-class Tampakan Copper-Gold Project in the southern Philippines. Indophil owns 34.23% of the Tampakan project and has arrangements in place to acquire a further 3.27% interest from Philippine company Alsons Corporation, thereby lifting Indophil's interest to 37.5%. The remaining 62.5% is held by Xstrata Queensland Limited.

The Tampakan Project has an Australasian Joint Ore Reserves Committee (JORC) compliant mineral resource estimate of 2.4 billion tonnes containing 13.5 million tonnes of copper and 15.8 million ounces of gold at a 0.3% copper cut-off grade.

The project is now in the Final Feasibility Study phase which is due for completion in the second quarter of 2010. First production is scheduled for early in 2016.

Based on current estimates, the Stage One mining and milling rate at Tampakan will be 44 million tonnes per annum (Mtpa), lifting in Stage Two to 66 Mtpa for an average annual production rate over the first 20 years of 340,000 tonnes of copper and 350,000 ounces of gold at a C1 cash cost of less than US\$46c/lb of copper after gold credits but before molybdenum credits.

Indophil is listed on the Australian Securities Exchange (ASX code: IRN). As announced in its latest Quarterly Report, issued to the ASX on 28 October 2009, Indophil had a cash balance of just under A\$50 million at the end of the September 2009.

Further information on Indophil can be found on the Internet at www.indophil.com.

About Zijin

Zijin Mining Group Company Limited is a Chinese-based, international mining conglomerate focused on the exploration, mining and sale of gold and base metals.

Zijin is the largest owner of metal mineral resources, the largest gold producer and third largest copper producer in the People's Republic of China. Zijin is listed on the Hong Kong Stock Exchange (stock name: Zijin Mining, stock code: 2899) and the Shanghai Stock Exchange (stock name: Zijin Mining, stock code: 601899). In 2009, Zijin was ranked in the Global Top 500 Companies released by the Financial Times (UK).

Zijin has operations in more than 20 provinces in China and seven other countries. The company's flagship asset is the Zijinshan Gold-Copper Mine, which is China's largest gold mine.

Central to Zijin's values is its focus on responsible mining and modern mining practices, its adherence to the highest standards of environmental management and protection, underpinned by adherence to a safe working environment and its regard for the societies in which the company operates.

In October 2009, Zijin was recognised by the China Association for Quality with the National Advanced Enterprise of Excellent Performance Model Award.

Further information on Zijin can be found on the Internet at www.zjky.cn/english.

Schedule 1: Offer conditions

A glossary of defined terms used in Schedule 1 below is contained in Schedule 3 to this announcement.

The Offer is subject to the fulfilment of the following conditions.

- (a) **Minimum acceptance:** before the end of the Offer Period, Zijin and its Associates have relevant interests in at least 90% (by number) of all the Shares and Zijin is entitled to proceed to compulsory acquisition of Indophil's securities under Part 6A.1 or Part 6A.2 (or both) of the Corporations Act;
- (b) **Chinese Regulatory Authorities approvals:** before the end of the Offer Period, all necessary approvals or consents that are required by the Chinese Regulatory Authorities to permit:
 - (i) the Offer to be lawfully made to and accepted by Shareholders;
 - (ii) the transaction contemplated by the Bidder's Statement to be completed (including, without limitation, full, lawful and effectual implementation of the intentions set out in the Bidder's Statement); and
 - (iii) the continued operation of the business of the Target, substantially on the same terms as that business is conducted as at the date of the Offer,

in each case on an unconditional basis or on the basis of conditions that impose only non-material requirements incidental to the Chinese Regulatory Authorities approvals, and, at the end of the Offer Period, all of those approvals remain in full force and effect in all respects and are not subject to any notice or indication of intention to revoke, suspend, restrict, modify or not renew those approvals.

- (c) **Foreign Investment Review Board Approval:** one of the following occurring:
 - (i) the Treasurer of the Commonwealth of Australia (or a delegate of the Treasurer of the Commonwealth) (**Treasurer**) advising Zijin before the end of the Offer Period to the effect that there are no objections to the Takeover Bid constituted by the dispatch of the Offer in terms of the Federal Government's foreign investment policy; or
 - (ii) no order being made under section 18(2) of the *Foreign Acquisitions and Takeovers Act 1975* (Cth) (**FATA**) or interim order being made under section 22 of the FATA in relation to the Takeover Bid constituted by the dispatch of the Offer within a period of 40 days after Zijin has notified the Treasurer that it proposes to acquire the Shares under that Takeover Bid, and no notice being given by the Treasurer to Zijin during that period to the effect that there are any such objections; or
 - (iii) where an order is made under section 22 of the *Foreign Acquisitions and Takeovers Act 1975* (Cth), a period of 90 days having expired after the order comes into operation and no notice having been given by the Treasurer to Bidder during that period to the effect that there are any such objections,

in each case on an unconditional basis or on the basis of conditions that impose only non-material requirements incidental to the approvals set out in this condition (c) and, at the end of the Offer Period, all of those approvals remain in full force and effect in all respects and are not subject to any notice or indication of intention to revoke, suspend, restrict, modify or not renew those approvals.

- (d) **No Australian regulatory actions:** Between the Announcement Date and the end of the Offer Period (each inclusive):
 - (i) there is not in effect any preliminary or final decision, order or decree issued by a Government Agency in Australia;
 - (ii) no action or investigation is announced, commenced or threatened by any Government Agency in Australia;

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- (iii) no application is made to any Government Agency in Australia (other than by the Bidder or any of its associates),

in consequence of or in connection with the Offer (other than an application to, or a decision or order of, ASIC or the Takeovers Panel for the purpose, or in exercise, of the powers and discretions conferred on it by the Corporations Act) which restrains or prohibits or impedes, or threatens to restrain, prohibit or impede, or otherwise materially adversely impacts upon, the making of the Offer or the acquisition of Shares under the Offer or the rights of the Bidder in respect of its capacity as a shareholder in respect of the Target or the completion of any transaction contemplated by this Offer, or seeks to require the divestiture by the Bidder of any Shares, or the divestiture of any material assets of the Target;

- (e) **Conduct of business in the ordinary course:** Except as publicly announced by the Target before the Announcement Date:

- (i) during the period from the Announcement Date to the end of the Offer Period (each inclusive), Indophil's business and the business of Indophil's subsidiaries is conducted in the ordinary course, and there is no reduction in the cash balances held by or available to the Target Group other than in the ordinary course of business or in connection with the matters contemplated by this agreement; and
- (ii) none of the following events occurs during the period from the Announcement Date to the end of the Offer Period (each inclusive):
- (A) the Target or any member of the Target Group acquires, offers to acquire or agrees to acquire any assets for an amount in aggregate exceeding \$1 million or one or more entities or businesses or assets or makes an announcement in relation to such an acquisition, offer or agreement;
 - (B) the Target or any member of the Target Group disposes of, offers to dispose of or agrees to dispose of one or more entities, businesses or assets (or any interest in one or more entities, businesses or assets) for an amount, or in respect of which the book value (as recorded in the Target's consolidated balance sheet as at 30 June 2009) is, in aggregate, greater than \$1 million, or makes an announcement in relation to such a disposition, offer or agreement;
 - (C) the Target or any member of the Target Group enters into, or offers to enter into or agrees to enter into, any agreement which would require expenditure, or the foregoing of revenue, by the Target of an amount which is, in aggregate, more than \$1 million other than in the ordinary course of business, or makes an announcement in relation to such an entry, offer or agreement;
 - (D) the Target or any member of the Target Group enters into, or offers to enter into or agrees to enter into, any joint venture or partnership, grants any licence or option or right of first refusal over any of its property or assets or an interest in its property or assets, or makes an announcement in relation to such an entry, offer or agreement;
 - (E) the Target or any member of the Target Group disposes of, agrees or offers to dispose of, or negotiates or announces the disposal of, any material part of the Target Group's business or major assets, including any of the Target's direct and indirect interest in SMI or the Tampakan Project ;
 - (F) the Target or any member of the Target Group enters into any agreement, arrangement or understanding, whether or not conditional, or enforceable, regarding the disposal of any material part of the Target Group's business or major assets, including any of the Target's direct and indirect interest in SMI or the Tampakan Project;

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- (G) any change in the Target's or the Target's subsidiaries' (including IRP) direct or indirect interest in SMI or the Tampakan Project, excluding any change pursuant to the terms and conditions of the Alsons' MOA;
- (H) enters into any onerous or long term contract or commitment or incurs a contingent liability except in the ordinary course of business or proposes or agrees to do any of those things; or
- (I) there is a change in the business of the Target, the Target Group, SMI or the Tampakan Project in a way that has or would have a material adverse effect on the Target Group's business, financial affairs or prospects.
- (f) **No capital transactions or corporate actions:** between the Announcement Date and the end of the Offer Period, neither the Target nor any member of the Target Group:
- (i) makes, declares, determines, announces or conducts any dividend payment, capital restructure, share buy back, other return of capital or distribution;
- (ii) issues or grants any options over its securities or assets, or alters the rights attached to Shares or any other securities;
- (iii) borrows or agrees to borrow any money or incur any financial indebtedness other than in the ordinary course of business, or releases or agrees to release any obligation owed to it or that may become owing to it, or modifies any such obligation, other than in the ordinary course of business;
- (iv) has appointed to its board any additional director, whether to fill a casual vacancy or otherwise; or
- (v) makes any amendment to its constitution or there is passed a special resolution to amend its constitution,
- in each case without Zijin's prior written consent.
- (g) **Acceleration of Alsons SMI Shares:** before the end of the Offer Period Indophil procures the acceleration and completion of the acquisition of all of the Alsons SMI Shares in consideration only of the issue of not more than 25.9 million Shares.
- (h) **FTAA Material Adverse Change:** between the Announcement Date and the end of the Offer Period (each inclusive), no FTAA Material Adverse Change occurs.
- For the purpose of this condition **FTAA Material Adverse Change** means:
- (i) the FTAA is terminated or varied; or
- (ii) SMI has received notice of intention, or a threat of a serious nature, to terminate or vary the FTAA, in either case, from the government of the Republic of the Philippines (including from the Philippine Mines and Geosciences Bureau),
- in such a way as materially affects, or would (including if such intention or threat were to result in the FTAA being terminated or varied) materially affect, the ability of the Target Group, or SMI, to carry on the business or the activities to which the FTAA relates and which are carried on as at the Announcement Date.
- (i) **No change in Philippine Law:** between the Announcement Date and the end of the Offer Period (each inclusive), there is no change in Philippine Law applicable to any member of the Target Group, SMI or the Tampakan Project which has a material adverse effect on the Target Group's business, financial affairs or prospects or SMI's operations or assets.
- (j) **No disposal of Tampakan Project:** between the Announcement Date and the end of the Offer Period (each inclusive) neither the Target nor any member of the Target Group disposes, or agrees or offers to dispose, or negotiate the disposal, of any of its interest (direct or indirect) in SMI or the Tampakan Project, other than as expressly approved in writing by Zijin.
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- (k) **No prescribed occurrences:** between the Announcement Date and the end of the Offer Period (each inclusive), none of the following prescribed occurrences (being the occurrences listed in section 652C of the Corporations Act) happen:
- (i) Indophil converts all or any of the Shares into a larger or smaller number of shares;
 - (ii) Indophil or a subsidiary of Indophil resolves to reduce its share capital in any way;
 - (iii) Indophil or a subsidiary of Indophil:
 - enters into a buy-back agreement; or
 - resolves to approve the terms of a buy-back agreement under section 257C(1) or 257D(1) of the Corporations Act;
 - (iv) Indophil or a subsidiary of Indophil issues shares in itself (other than Shares issued as the result of the exercise of an Option, a Performance Right or an Alsons Share Right that it is under a contractual obligation to issue as at the date of this agreement and in any event in respect of the Alsons Share Right, that result in the issue of not more than 25.9 million Shares) or grants an option over its shares, or agrees to make such an issue or grant such an option;
 - (v) Indophil or a subsidiary of Indophil issues, or agrees to issue, convertible notes;
 - (vi) Indophil or a subsidiary of Indophil disposes, or agrees to dispose, of the whole, or a substantial part, of its business or property;
 - (vii) Indophil or a subsidiary of Indophil charges, or agrees to charge, the whole, or a substantial part, of its business or property;
 - (viii) Indophil or a subsidiary of Indophil resolves that it be wound up;
 - (ix) a liquidator or provisional liquidator of Indophil or a subsidiary of Indophil is appointed;
 - (x) a court makes an order for the winding up of Indophil or a subsidiary of Indophil;
 - (xi) an administrator of Indophil, or a subsidiary of Indophil is appointed under section 436A, 436B or 436C of the Corporations Act;
 - (xii) Indophil or a subsidiary of Indophil executes a deed of company arrangement; or
 - (xiii) a receiver, or a receiver and manager, is appointed in relation to the whole, or a substantial part, of the property of Indophil or a subsidiary of Indophil.
- (l) **No change of control rights:** No person having any rights, claiming an entitlement, or expressing an intention in relation to SMI or the Tampakan Project (whether or not that intention is stated to be a final or determined decision of that person) (in all cases whether subject to conditions or not), as a result of (directly or indirectly) the Bidder acquiring or proposing to acquire Shares or other securities in a member of the Target Group (whether or not such acquisition or proposal would result in any change of control of Indophil), to:
- (i) terminate or alter any material contractual relationship between any person and any member of the Target Group (for this purpose an alteration includes the operation of a contract, whether or not that altered operation is provided for under the existing terms of the contract);
 - (ii) require the termination, modification, or disposal (or offer to dispose) of any entity within the Target Group or any material interest or material asset of a member of the Target Group (or any arrangements relating to such entity, interest or asset);
 - (iii) require the repayment of monies in excess of \$1 million borrowed by a member of the Target Group or declare such monies repayable (either immediately or at any other time before the previous repayment date);
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- (iv) accelerate or adversely modify the performance of any obligation of a member of the Target Group, under any material agreement, contract, lease or other legal arrangement; or
 - (v) do, or cause to be done, any act as a result of which the business of a member of the Target Group with any other person would be adversely affected in any material way.
- (m) **No related party benefits:** between the Announcement Date and the end of the Offer Period (each inclusive) the Target or any member of the Target Group, including IRP, does not enter into, or offers or agrees to enter into any agreement, arrangement or understanding (whether subject to conditions or not) to give a director, secretary, senior manager (or any of their Associates) of the Target or the Target Group a benefit (including a payment, an agreement to employ them, or engaging their services for a fixed period) which in aggregate among all of them exceeds \$500,000.
- (n) **Options:**
- (i) between the Announcement Date and the end of the Offer Period (each inclusive) the Target does not amend or vary the terms of any Options granted by the Target (other than to cancel those Options in accordance with paragraph (ii) below).
 - (ii) Before the end of the Offer Period, all of the Options granted by the Target have been exercised, or cancelled by the Target (for an amount per Option not exceeding the cash offered under the Offer for each Share minus the exercise price of the Option).
- (o) **Convertible securities:**
- (i) between the Announcement Date and the end of the Offer Period (each inclusive) the Target does not amend or vary the terms of any convertible securities (including the Performance Rights) issued by the Target or any rights granted by the Target for the issue of Target securities (other than to cancel those securities or rights in accordance with paragraph (ii) below).
 - (ii) Before the end of the Offer Period, all of the convertible securities (including the Performance Rights) issued by the Target and any rights granted by the Target for the issue of Target securities have been converted, or cancelled by the Target.
- (p) **No termination of Implementation Agreement:** between the Announcement Date and the end of the Offer Period (each inclusive), the Implementation Agreement is not terminated in accordance with its terms, other than by Zijin as a result of Zijin withdrawing the Takeover Bid or the Takeover Bid lapses for any reason, or Zijin terminating the Implementation Agreement effective on 30 April 2010 by written notice.
- (q) **Feasibility Study:** the Feasibility Study is not completed and submitted by the time required by the Philippine Mines and Geosciences Bureau (**Deadline**), and the time to complete and submit is not be extended by the time of the Deadline.
- (r) **Natural Events:** between the Announcement Date and the end of the Offer Period (each inclusive), there is no Natural Event which occurs that has or would have a material adverse effect on the Target Group's business, financial affairs or prospects.

Schedule 2: Summary: Takeover Implementation Agreement

A glossary of defined terms used in Schedule 2 below is contained in Schedule 3 to this announcement.

Indophil and Zijin have entered into a Takeover Implementation Agreement (Implementation Agreement) setting out each party's obligations in connection with the implementation of the Takeover Bid. A summary of the key terms and conditions of the Implementation Agreement is set out below.

Conduct of Indophil during Offer Period

During the Offer Period:

- Indophil must keep Zijin informed of all of its major business decisions which are not part of its current financial budget or general business plans.
- Indophil must not incur any expenditure which is not provided for in Indophil's budget;
- Indophil must not approve any new budget or work program in respect of SMI or the Tampakan Project, without the prior written consent of Zijin (which cannot be unreasonably withheld).

These obligations on Indophil do not apply to any matter required to be done pursuant to the Implementation Agreement or which has been approved by Zijin, or where to do so would be a breach of fiduciary or statutory duties of Indophil Directors.

If the Takeover Bid is declared unconditional (other than at the election of Zijin, Bid Condition (k) ('prescribed occurrences')) in accordance with section 650F of the Corporations Act, Indophil has agreed:

- that it, and each member of the Target Group, must not dispose of, agree to dispose of, or negotiate the disposal of its direct or indirect interest in the Tampakan Project and SMI; and
- to make an announcement that effect.

Exclusivity

Until either the Implementation Agreement is terminated or the end of the Offer Period, Indophil must not:

- solicit any Competing Proposals, or communicate an intention to do so;
- participate in any negotiations or discussions or provide any information to any person in respect of a potential Competing Proposal;
- enter into any agreement, arrangement or understanding in respect of a Competing Proposal; or
- disclose any information about the business or affairs of Indophil, except as required by law, in the ordinary course of business, where required under an existing contract or to market analysts or brokers.

The last three restrictions will not apply where the restriction would result in the Indophil Board breaching its fiduciary duties.

Indophil has agreed to cease any discussions or negotiations (prior to the Announcement Date) with third parties relating to any Competing Proposals or any transaction which may adversely affect Zijin's Takeover Bid.

Indophil must notify Zijin of any approach, enquiry or proposal it receives regarding a potential Competing Proposal and any request for information which may relate to a Competing Proposal, except if this would result in a breach of the Indophil Board's fiduciary duties.

Until the end of the Offer Period, Indophil must provide to Zijin all information Indophil has provided to a third party for the purpose of facilitating a Competing Proposal.

Indophil's exclusivity obligations end if Zijin fails to make its Takeover Bid, Zijin withdraws its Takeover Bid, the Takeover Bid closes or where a Superior Proposal is publicly announced.

Superior Proposals

Until the end of the Offer Period, Indophil must immediately notify Zijin if it has received a Superior Proposal.

Where a Superior Proposal is notified to Zijin, Zijin has 5 Business Days to provide Indophil with an improved Offer which is superior in value to the proposal notified to Zijin.

Indophil is permitted to recommend a Superior Proposal to Shareholders where Zijin has not provided an improved Offer, which in the opinion of the Indophil Board (after obtaining external legal and financial advice) is superior in value to the proposal notified to Zijin.

Break Fee

Indophil must pay the Break Fee of A\$5.45M to Zijin if at any time prior to the end of the Offer Period:

- any Indophil Director recommends that Shareholders accept or support a Superior Proposal;
- any Indophil Director fails to recommend that Shareholders accept the Takeover Bid in the absence of a Superior Proposal;
- any Indophil Director, having made a recommendation that Shareholders accept the Takeover Bid in the absence of a Superior Proposal, makes a public statement which withdraws, revises, or qualifies that recommendation (except if an Indophil director makes a statement that Shareholders should not take action, pending a determination as to whether a Superior Proposal should be recommended); or
- another bidder for Indophil acquires voting power of more than 50% in Indophil.

Alternate Break Fee

Indophil must pay the Alternate Break Fee of A\$2M to Zijin if at any time prior to the end of the Offer Period Zijin terminates the Implementation Agreement as a result of:

- Indophil being in material breach of clause 5.5 (Conduct of Target during Offer Period), clause 8 (Superior Proposals) and clause 11 (Exclusivity). *Note: a summary of these clauses is provided above;*
- Indophil being in breach of the Target Warranties (*outlined below*) which has a material adverse effect on Indophil, its subsidiaries or SMI, the price or value of Indophil's Shares, Zijin's Offer or the ability of Zijin to proceed with its Takeover Bid; or
- a Bid Condition being breached or not fulfilled and that breach or non fulfilment is materially contributed to by any action or inaction of Indophil or the Target Group.

Target Warranties

Indophil has warranted to Zijin, amongst other things, that as at the Announcement Date:

- the Indophil Shares as disclosed to Zijin, comprise the entire ordinary share capital of Indophil, and that the Shares are fully paid and validly issued;
- other than the Options, Performance Rights and Alsons Share Rights there are no convertible securities, options or other entitlements over unissued Shares in Indophil or to have Shares issued in Indophil and there are no agreements or understandings to grant convertible securities, options or other entitlements over unissued Shares in Indophil or have Shares issued.
- the summary of key terms of the Options and Performance Rights disclosed to Zijin is true and accurate;
- Indophil is not in material breach of its continuous disclosure obligations;
- Indophil and its representatives are not involved in any negotiations concerning a Competing Proposal to Zijin's Takeover Bid;

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- to the best of the Indophil Directors' knowledge information and belief, the Due Diligence Materials have been compiled fully, fairly and in good faith but without regard to whether the Due Diligence Materials are the totality of the information that may be relevant to Zijin and are not misleading or deceptive in any material respect; and
 - Indophil has not knowingly omitted or withheld any material information from the Due Diligence Materials.

Termination

Either party may immediately terminate the Implementation Agreement if:

- the other party is in material breach of the Implementation Agreement and the material breach is not remedied within 10 Business Days;
- a court or Government Agency has issued an order, decree or ruling or taken action which would permanently restrain or prohibit Zijin's Takeover Bid;
- the Offer Period expires; or
- Zijin withdraws the Takeover Bid or the Takeover Bid lapses for any reason,

Zijin may immediately terminate the Implementation Agreement if:

- any Indophil Director withdraws, varies or qualifies his or her positive recommendation in relation to Zijin's Takeover Bid or recommends a Superior Proposal (except if an Indophil director makes a statement that Shareholders should not take action, pending a determination as to whether a Superior Proposal should be recommended); or
- any of the events giving rise to the Alternate Break Fee occur.

If the Offer period ends on or after 5pm on 30 April 2010, either Indophil or Zijin may terminate the Implementation Agreement by written notice to the other party given not later than 12 days before 30 April 2010 (**Termination Date**) with the termination taking effect at 5.01pm on 30 April 2010 if and only if the Offer is subject to a Bid Condition on the Termination Date. If the Offer is not subject to a Bid Condition on the Termination Date, the notice is of no force or effect.

Reconstitution of Indophil Board

Indophil must promptly procure or cause the Indophil Board to be reconstituted in accordance with Zijin's instructions if the Takeover Bid is or becomes unconditional, Zijin has voting power of at least 50.1% Indophil and Zijin has paid the consideration payable under the Offer. However, there is to be at least one independent director remaining on the Indophil Board until such time as Zijin is entitled to proceed to compulsory acquisition.

Schedule 3: Glossary of defined terms

The meanings of the terms used in Schedule 1 and 2 to this joint announcement are set out below.

Alsons means Alsons Corporation, a corporation duly organised and existing under the laws of the Republic of the Philippines, with its principal office at Alsons Building, 2286 Pasong Tamo Extension, Makati City, Republic of the Philippines.

Alsons MOA means the agreement entitled "Memorandum of Agreement" between Alsons, Indophil and Indophil Sagittarius Holdings Pty Ltd (ACN 116 808 925) (**Indophil Sagittarius**) dated 30 March 2007 as amended by:

- (a) the agreement entitled "Amended Memorandum of Agreement" between Alsons, Indophil and Indophil Sagittarius dated 1 October 2007; and
- (b) the deed entitled "Deed of Amendment to MOA" between Alsons and Indophil dated 26 October 2009.

Alsons Share Right means a right held by Alsons to be issued a Share on the satisfaction of certain conditions under the Alsons MOA.

Alsons SMI Shares means 2,126,764 fully paid common A class shares in SMI held by Alsons.

Alternate Break Fee means the amount of \$2 million.

Announcement Date means the date on which the Agreed Joint Announcement is made pursuant to clause 4 of the Implementation Agreement.

ASIC means the Australian Securities and Investments Commission.

Associate means the meaning given to that term in Division 2 of Part 1.2 of the Corporations Act as if section 12(1) of that Act included a reference to this agreement and Indophil were the designated body.

Australia means the Commonwealth of Australia, excluding its external territories, and **Australian** shall be construed accordingly.

Bid Conditions means the terms and conditions set out in Schedule 2 to the Implementation Agreement.

Bidders Statement means the bidder's statement to be prepared by the Bidder in respect of the Takeover Bid, and which includes the Offer.

Break Fee means the amount of \$5.45 million being equal to 1% of the equity value of the Target implied by the Offer (exclusive of GST).

Business Day means a day on which the banks are open for business in Melbourne, Australia and the People's Republic of China excluding a Saturday, Sunday or public holiday.

Chinese Regulatory Authorities means any government or governmental, semi-governmental, administrative or monetary authority in the People's Republic of China, including the National Development and Reform Commission, the Ministry of Commerce and the State Administration of Foreign Exchange.

Competing Proposal means a bona fide proposal or offer by any person with respect to any transaction (by purchase, scheme of arrangement, takeover bid or otherwise) that may result in any person (or group of persons) other than the Bidder or its Related Entities, directly or indirectly:

- (a) acquiring voting power of more than 50% in the Target or any subsidiary of the Target;
- (b) acquiring an interest in all or a substantial part of the assets of or business the Target or any related body corporate of the Target (including any of their respective direct or indirect interests in SMI or the Tampakan Project); or
- (c) otherwise acquiring control of the Target, (within the meaning of section 50AA of the Corporations Act or otherwise); or

(d) merging or amalgamating with, the Target or any subsidiary of the Target.

Corporations Act means the *Corporations Act 2001* (Cth).

Due Diligence Materials means the information and materials made available to the Bidder in the course of the Due Diligence Investigation.

Feasibility Study means the final mining project feasibility study required by the Philippines Mines Geosciences Bureau to complete the Declaration of Mining Feasibility, such that its approval would phase in the Development, Utilization and Exploration stage of the Tampakan Project.

FTAA means the Financial and Technical Assistance Agreement dated 22 March 1995 between WMC (Philippines), Inc. and the Government of the Republic of the Philippines in relation to the Tampakan copper gold deposit on the Southern Island of Mindanao, Philippines which was assigned to Sagittarius Mines Inc. (and amended as part of that assignment) pursuant to an order dated 18 December 2001 issued by the Secretary of the Department of Environment and Natural Resources, Republic of the Philippines and a document titled "Commitments and Undertakings" by Sagittarius Mines Inc. dated 8 November 2001.

Government Agency means any government or governmental, semi-governmental, administrative, monetary, fiscal or judicial body, department, commission, authority, tribunal, agency or entity in any part of the world, including any self-regulatory organisation established under statute or otherwise discharging substantially public or regulatory functions, including ASIC and ASX or any other stock exchange or financial market.

Implementation Agreement means the agreement entitled 'Takeover Implementation Agreement' between Zijin and Indophil.

Indophil means Indophil Resources NL ACN 076 318 173.

Indophil Board means the board of directors of Indophil from time to time.

Indophil Director means a director on the Indophil Board from time to time.

IRP means Indophil Resources Phils. Inc a company organized and existing under the laws of the Republic of the Philippines with its principal office at 3rd Floor L&F Building, 107 Aguirre Street, Legaspi Village Makati.

Natural Events means any natural event including fire, storm, hurricane, flood, earthquake or volcanic eruption.

Offer means the offer to acquire the Shares made in connection with the Takeover Bid.

Offer Period means the period that the Offer is open for acceptance.

Option means an option, issued by the Target prior to the date of this agreement, to acquire by way of issue one Share and for the avoidance of doubt includes such an option issued by the Target prior to the date of this agreement which has not vested and is not currently exercisable in accordance with its terms.

Performance Right means a right to be issued or transferred a Share granted by Indophil to Richard Laufmann subject to the achievement of certain performance thresholds in accordance with the contract of employment between Richard Laufmann and Indophil dated 28 May 2007.

Philippine Law means any legislation, including but not limited to, executive order administrative order, ordinance of the Philippines, or any of its local government units.

Related Entity means in relation to a party, any body corporate which is related to that party within the meaning of section 50 of the Corporations Act.