

30 June 2010



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**Update on proposed open pit mining ban at Tampakan**

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Sagittarius Mines Inc., operator of the Tampakan Copper-Gold Project in the southern Philippines in which Indophil Resources holds a 37.5% interest, has advised Indophil that the outgoing governor in the province of South Cotabato late yesterday formally approved a new Environment Code that includes a ban on open pit mining.

Indophil remains in voluntary suspension until no later than 14 July 2010 while it seeks further clarification on this matter.

The incoming governor to South Cotabato, the province in which the Tampakan deposit is located, takes formal office tomorrow. He has publicly said that he will order a review of the legality of the proposed open pit ban in the light of Philippine National Government statements that the provincial proposal contravenes national law and public policy.

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## **SAGITTARIUS MINES, INC.**

### **NEWS RELEASE**

#### **SMI comments on the approval of the South Cotabato Environment Code by Governor Fuentes**

General Santos City, 29 June 2010

Sagittarius Mines, Inc. (SMI) notes the decision by outgoing South Cotabato Governor Fuentes to approve the South Cotabato Environment Code, a provincial ordinance that includes a ban on the use of open pit mining methods in the province.

SMI General Manager, Mark Williams, said: “this is a disappointing outcome given the significant stakeholder support shown for the Tampakan Project during the public scoping meetings held late last year, and the recent formal recognition of the Project by the Regional Minerals Development Councils of Regions XI and XII as the Flagship Project for their respective regions.

“SMI has undertaken extensive technical studies, led by international specialists in mining and engineering, to assess potential mining methods for the Tampakan deposit.

“These studies identified open pit mining as the safest and only economic extraction method, given the configuration of the deposit and the geology of the region.

“SMI undertook an extensive program of stakeholder briefings as well as four public scoping meetings during the fourth quarter of 2009 as part of the Tampakan Project’s Environmental and Social Impact Assessment (ESIA) process.

“At these forums, SMI presented the proposed mine plan for the Tampakan deposit including details on the final area, mining method, mine facilities and processes, potential benefits and impacts of the mine as well as an outline of the ESIA process and timeline.

“As detailed at these forums, SMI expects to complete the ESIA and supporting technical studies in the fourth quarter of 2010.

“SMI has consistently stated that these studies will be made available to stakeholders following their completion and submission as part of SMI’s application for an Environmental Compliance Certificate for the Tampakan Project.

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## SAGITTARIUS MINES, INC.

“SMI remains committed to the principles of sustainable development endorsed by the Code and believes open pit mining methods are entirely compatible with these principles.

“We remain concerned regarding the Code’s potential impact on the Tampakan Project and will continue to monitor this issue closely and consider our available options.”

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