

Interim Financial Report

For the half-year ended 30 June 2014

Indophil Resources NL

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All currencies are in Australian dollars unless stated otherwise.

Your Directors submit their report for the half-year ended 30 June 2014.

Directors

The names of the Company's Directors in office during the half-year and until the date of this report are set out below. Directors held office for the entire period unless otherwise stated.

B Phillips	Non-Executive Chairman
R Laufmann	Chief Executive Officer and Managing Director
T Robbins	Executive Director
K Wightman	Non-Executive Director
D Carland	Non-Executive Director
N Alcantara	Non-Executive Director
F DyBuncio	Non-Executive Director

Group overview

Principal Activities

Indophil Resources (the Company or Indophil) is a mining company focusing on exploration and development of gold and copper-gold opportunities in South East Asia and broader horizons where opportunity exists. The Company's key asset is a strategic 37.5% interest in Sagittarius Mines, Inc. (SMI), the operating arm for the world-class Tampakan Copper-Gold Project (Tampakan Project) in the southern Philippines.

Operating Results for the Year

The Group recorded a net loss after tax of \$0.039M for the half-year compared to a net loss after tax of \$105.6M for the corresponding period last year.

The change resulted predominantly from:

- i. No impairment charge recognised against investment in associate (2013: \$107.500M).
- ii. Increase in corporate costs of \$2.146M, attributed partly to additional legal costs incurred in the proceedings with Glencore Xstrata and external consultants' fees.
- iii. Decrease in interest income of \$0.743M, with declining cash balances and investment interest rates.
- iv. Decrease in exploration and evaluation costs of \$0.437M, due to ceasing the Itogon Project activities and returning the Itogon Project to its former owners at the end of 2013.
- v. Decrease in share of loss of an associate of \$0.405M, as a result of unrealised exchange fluctuations.

At 30 June 2014, the Group held \$208.702M in cash balances compared with the balance of \$215.093M at 31 December 2013.

Group overview (continued)

Tampakan Copper-Gold Project

The Company continued to fund its 37.5% share of the study and development expenditure on the Tampakan Project through the project's operating arm, SMI. Glencore Xstrata (now Glencore), on behalf of SMI, manages the Tampakan Project.

On 16 April 2013, the Company highlighted to investors the announcement by Glencore, citing the Chinese Government's conditions as part of the Chinese Ministry of Commerce (MOFCOM) approval for its merger with Xstrata plc. In essence, Glencore's ownership in the Tampakan Project was subjected to a requirement which, as a first preference, centered on divestment of Glencore's interest in the 'greenfield' Las Bambas Copper Project in Peru. If the Las Bambas sale process failed to eventuate in a timely manner, a second line of potentially mandated divestment included Glencore's interest in the Tampakan Project.

On 14 April 2014, Glencore announced the divestment of its interest in Las Bambas and that all the conditions to the transaction had been satisfied, with the sale due to be completed by early August. On 1 August 2014, Glencore announced the completion of the Las Bambas sale. The Directors consider the completion of this sale as positive for Indophil's shareholders.

The Company remains committed to working with Glencore, the Philippine Government and our in-country alliance partners to ensure that the pathways for development of Tampakan are cleared and value for shareholders is restored.

SMI - 2014 Work Plan and Update

The 2014 SMI Work Plan for the Tampakan Project was approved by SMI on 5 December 2013 with a budget of US\$6.69M. An additional US\$1.6M budget for community development programs was approved on 12 February 2014, resulting in an SMI budget totaling US\$8.24M for the 2014 calendar year. The SMI Work Plan focuses on Philippine Government approvals, including the resolution of an open pit mining ban in South Cotabato, the province in which the Tampakan Project is located.

The Company funded additional expenditure outside the scope of the approved budget, to date totaling \$0.388M, for the Off-Lease Infrastructure - Environmental Impact Assessment (OLI EIA). The OLI EIA is now in its final draft, pending completion of some regulatory requirements and a decision by SMI to lodge the application for the OLI's Environmental Compliance Certificate, along with a similar power station approval process.

Considerable progress has been made during the period, with indications of support from the national and local governments, providing encouragement for the ongoing approvals process. SMI has resubmitted project feasibility documents and other requirements to the national government's Mines and Geosciences Bureau for detailed review and consideration.

SMI continues to engage with the Philippine national government's Mining Industry Co-ordinating Council (MICC) on issues surrounding the approvals process. The MICC has directed SMI to commence the Local Government Endorsement process which has started positively and will continue over the coming months. The MICC also requested its associated government body, the National Commission on Indigenous Peoples, to proceed with the Free Prior Informed Consent (FPIC) process with the indigenous peoples in the vicinity of the Tampakan Project. Initial indications are that this FPIC process can commence later this year, and that the locally-affected indigenous people communities are commencing preparations for this crucial and important consent consideration process along with the accompanying agreements which could deliver sustainable benefits to these host communities.

Group overview (continued)

SMI - 2014 Work Plan and Update (continued)

In late May, an attack on one of the SMI camp facilities by members of the New People's Army, the armed wing of the Communist Party of the Philippines, partially destroyed the facility. There were no casualties. The local community and SMI expressed disappointment at this attack, particularly given the clear and sustainable benefits already flowing to host communities within the village, municipal and provincial governments as a result of SMI activity. As a contractor to the Philippine Government, SMI aims to deliver its obligations on behalf of the project's shareholders for the benefit of investors and the Filipino people.

SMI Share Ownership

On 20 June 2013, the Company announced that Xstrata Queensland Ltd (now Glencore Queensland Ltd) had issued proceedings to become registered as the legal owner of a 62.5% share in SMI that it acquired from the Company in 2007. Immediately following the 2007 event, Indophil applied for a capital gains tax exemption on the transfer of shares under the terms of the Tax Treaty between the Republic of the Philippines and the Commonwealth of Australia. The Company applied for the tax ruling to facilitate the registration of Glencore Queensland as the legal owner of those shares in the share register of SMI.

On 19 March 2014, the Company received notification from the Philippine Government's Bureau of Internal Revenue that it had granted the exemption application in favour of the Company. This allowed for the transfer of the shares and perfecting the legal ownership interest of Glencore Queensland in SMI. As a result, the afore-mentioned proceedings were discontinued.

For clarity, Glencore or its related entities have held the beneficial interest in these SMI shares and management rights in the Tampakan Project since 2007.

Tampakan Production Profile

The Tampakan Project has strong potential as a large, long-life, low-cost open pit producer of copper and gold. The 2010 Mine Project Feasibility Study (MPFS) confirmed that Tampakan is a world-class copper and gold development opportunity. Highlights of the MPFS include:

- Long-life open pit, with potential for extension.
- Average planned annual production over the first 17 years of 375,000 tonnes of copper and 360,000 ounces of gold.
- Average planned annual production over the first five years of 450,000 tonnes of copper and 435,000 ounces of gold.
- Capital requirements of US\$5.9 billion (including a US\$900M allocation for a power plant).
- Attractive life-of-mine C1 cash costs (net of gold by-product credits) in the bottom quartile of global producers.
- Low stripping ratio of 1.19:1 (waste:ore tonnes).

Group overview (continued)

Other Exploration

Northern Luzon – Balatoc Copper-Gold Project

Indophil continues to work with the Balatoc Indigenous People to gain title and access to the property. Progress is being made in the Company's favour to resolve the competing claims covering the exploration permit applications.

Eastern Mindanao – Manat Gold Project

The Group holds a 25% interest in the Manat Gold Project. The Project is still awaiting formal comment on and approval of its Declaration of Mining Project Feasibility from the central office of the government's Mines and Geosciences Bureau. Indophil is seeking to exit this project.

Corporate

Australian Taxation Office (ATO) Objection

The Company lodged an Objection Notice with the ATO regarding a possible deferment of income tax on interest income capitalised on its SMI loans. On 31 July 2014, the ATO advised that it had approved the objection in full, resulting in interest income being assessed only when received from SMI.

As a result of the objection, the Company will be in a tax refund position with carried-forward losses of approximately \$24.331M and a net Deferred Tax Liability of \$2.660M. Refer to Note 6 - Income Tax of the financial statements for further details.

CEO Contract

The employment contract of Richard Laufmann as CEO has been extended for a further term of 12 months, from 1 June 2014 to 31 May 2015, on substantially the same terms as his previous arrangements, including remuneration incentives.

Share Options

During the period, 614,000 options expired and 30,750 options lapsed. At the reporting date, there were 2,730,000 unissued ordinary shares under options.

Rounding

The amounts contained in this report and in the financial report have been rounded to the nearest \$1,000 (unless otherwise stated) under the option available to the Company under ASIC Class Order 98/0100. The Company is an entity to which the Class Order applies.

Auditor's Independence Declaration

We have obtained the following independence declaration from the Company's auditors, Ernst & Young.

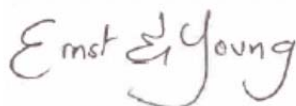


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Auditor's Independence Declaration to the Directors of Indophil Resources NL

In relation to our review of the interim financial report of Indophil Resources NL for the half-year ended 30 June 2014, to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements of the *Corporations Act 2001* or any applicable code of professional conduct.

A handwritten signature in black ink that reads 'Ernst & Young' in a cursive, stylized script.

Ernst & Young

A handwritten signature in black ink, appearing to read 'Michael Collins', written in a cursive script.

Michael Collins
Partner
2 September 2014

A member firm of Ernst & Young Global Limited
Liability limited by a scheme approved under Professional Standards Legislation

Signed in accordance with a resolution of the directors.

A handwritten signature in black ink, appearing to read 'BM Phillips', written in a cursive script.

BM Phillips
Chairman
Melbourne, 2 September 2014

Statement of financial position

As at	Note	Consolidated	
		30 June 2014 \$000	31 Dec 2013 \$000
ASSETS			
Current assets			
Cash and cash equivalents	4	208,702	215,093
Other receivables		943	942
Income tax receivable	6	1,951	-
Prepayments		136	127
Total current assets		211,732	216,162
Non-current assets			
Investment in associate	5	191,782	185,344
Other financial assets		2,668	2,653
Deferred tax asset	6	-	1,808
Plant and equipment		85	101
Total non-current assets		194,535	189,906
Total assets		406,267	406,068
LIABILITIES			
Current liabilities			
Trade and other payables		321	1,178
Provisions		370	262
Income tax payable		-	1,578
Total current liabilities		691	3,018
Non-current liabilities			
Deferred tax liability	6	2,660	-
Provisions		54	149
Total non-current liabilities		2,714	149
Total liabilities		3,405	3,167
Net assets		402,862	402,901
EQUITY			
Equity attributable to equity holders of the Parent			
Issued capital	7	494,215	494,215
Retained earnings		(91,523)	(91,552)
Reserves		170	238
Total equity		402,862	402,901

Statement of comprehensive income



For the half-year ended 30 June	Note	Consolidated	
		2014 \$000	2013 \$000
REVENUE			
Interest income		8,835	9,578
Other		-	30
		8,835	9,608
EXPENSES			
Administration		(1,829)	(1,959)
Corporate		(4,385)	(2,239)
Depreciation		(22)	(25)
Exchange fluctuations		(7)	(23)
Exploration and evaluation		(595)	(1,031)
Operating lease payments		(119)	(116)
Superannuation payments		(185)	(136)
Share of loss of an associate	5	(331)	(736)
Impairment charge	5	-	(107,500)
		(7,473)	(113,765)
Profit/(loss) before income tax		1,362	(104,157)
Income tax expense	6	(1,401)	(1,445)
Loss after income tax		(39)	(105,602)
Other comprehensive income for the period		-	-
Total comprehensive loss for the half-year		(39)	(105,602)
		Cents	Cents
Earnings per share for profit/(loss) attributable to the ordinary equity holders of the Parent:			
Basic profit/(loss) per share		0.00	(8.78)
Diluted profit/(loss) per share		0.00	(8.76)

Statement of changes in equity



	Attributable to equity holders of the Consolidated Entity			
	Contributed Capital \$000	Retained Earnings \$000	Reserve \$000	Total Equity \$000
As at 1 January 2013	494,215	13,900	238	508,353
Total comprehensive loss for the period	-	(105,602)	-	(105,602)
At 30 June 2013	494,215	(91,702)	238	402,751
As at 1 January 2014	494,215	(91,552)	238	402,901
Total comprehensive loss for the period	-	(39)	-	(39)
Expired/lapsed options	-	68	(68)	-
At 30 June 2014	494,215	(91,523)	170	402,862

Statement of cash flows

For the half-year ended 30 June		Consolidated	
	Note	2014 \$000	2013 \$000
OPERATING ACTIVITIES			
Interest received		3,548	5,034
Payments to suppliers and employees		(7,276)	(4,062)
Exploration and evaluation		(615)	(1,335)
Income tax paid		(463)	(907)
Net cash flows from operating activities		(4,806)	(1,270)
INVESTING ACTIVITIES			
Purchase of plant and equipment		(9)	(7)
Advances to associate entity		(1,569)	(10,125)
Net cash flows from investing activities		(1,578)	(10,132)
FINANCING ACTIVITIES			
		-	-
Net decrease in cash and cash equivalents		(6,384)	(11,402)
Net foreign exchange differences		(7)	(20)
Cash and cash equivalents at the beginning of the period		215,093	235,037
Cash and cash equivalents at end of the period	4	208,702	223,615

1. Basis of preparation and accounting policies

Basis of preparation

This interim financial report for the half-year ended 30 June 2014 has been prepared in accordance with AASB 134 *'Interim Financial Reporting'* and the *Corporations Act 2001*.

The half-year financial report does not include all notes of the type normally included within the annual financial report and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the consolidated entity as the full financial report.

It is recommended that the half-year financial report be read in conjunction with the annual report for the financial year ended 31 December 2013 and be considered together with any public announcements made by the Company during the half-year ended 30 June 2014 in accordance with the continuous disclosure obligations of the ASX listing rules.

Going concern

The accounts have been prepared on a going concern basis. A summary of the Group's outstanding commitments at 30 June 2014 are disclosed in Note 8.

New accounting standards and interpretations

(i) *Changes in accounting policy and disclosures*

The accounting policies adopted in the preparation of the interim consolidated financial statements are consistent with those followed in the preparation of the Group's annual financial statements for the year ended 31 December 2013.

The Group has adopted the following new and amended *Australian Accounting Standards and Interpretations* as of 1 January 2014.

AASB 2011-4	Amendments to Accounting Standards to Remove Individual Key Management Personnel Disclosure Requirements
AASB 2013-3	Amendments to AASB 136 – Recoverable Amount Disclosures for Non-Financial Assets
AASB 13	Fair Value Assessment
AASB 119	Employee Benefits
AASB 1031	Materiality

The adoption of these standards did not have any material effect on the financial position or performance of the Group.

(ii) *Accounting Standards and Interpretations issued but not yet effective*

None of the accounting standards or interpretations that have recently been issued or amended, but are not yet effected, are expected to have any material impact on the Group's Financial Report.

2. Significant accounting judgements, estimates and assumptions

In applying the Group's accounting policies, management continually evaluates judgements, estimates and assumptions based on experience and other factors, including expectations of future events that may have an impact on the Group. All judgements, estimates and assumptions made are believed to be reasonable based on the most current set of circumstances available to management. Actual results may differ from the judgements, estimates and assumptions.

The significant judgements, estimates and assumptions are consistent with those applied by the Group in its financial report for the year ended 31 December 2013.

3. Segment information

The Group operates solely in the mining exploration and development industry, and to date has one flagship project, the Tampakan Copper-Gold Project. With the Group's other mining tenements in the Philippines, additional segments may be disclosed in the future.

The Group determines its operating segments by reference to internal reports that are reviewed and used by the executive management team (the chief operating decision-maker) in assessing performance and in determining the allocation of resources. The executive management team receives consolidated balance sheet and profit and loss information that is prepared in accordance with Australian Accounting Standards.

4. Cash and cash equivalents

	Consolidated	
	30 June 2014 \$000	31 Dec 2013 \$000
Cash at bank and on hand	553	1,143
Short-term deposits	208,149	213,950
Total cash and cash equivalents	208,702	215,093

5. Investment in Associate

The following table sets out the composition of the carrying value of the Group's interest in its Associate Sagittarius Mines Inc.:

	Consolidated	
	30 June 2014 \$000	31 Dec 2013 \$000
Cost		
Opening balance	185,344	267,992
Advances during the period	1,406	16,425
Interest income on advances	5,258	10,008
Indophil funded SMI work program	105	283
Share of net loss for the period	(331)	(1,864)
Impairment of associate	-	(107,500)
Carrying value	191,782	185,344
Share of Associate's statement of financial position		
Beneficial interest	37.50%	37.50%
Current assets	598	775
Non-current assets	221,029	215,349
Current liabilities	(812)	(969)
Non-current liabilities	(236,074)	(230,083)
Net liabilities	(15,259)	(14,928)

Impairment of Associate

The Group assesses at each reporting date whether there is any indication or objective evidence that the carrying value of its investment in associate may be impaired. At 30 June 2014, no further project developments have been identified that would provide evidence that additional indicators of impairment or impairment reversal exist.

The prolonged shortfall in the stock market's valuation of the Company to Net Assets, has however been considered.

The basis on which impairment testing has been performed is consistent with the approach adopted in the year ended 31 December 2013.

Impairment testing

Methodology

Impairment is recognised when the carrying amount exceeds the recoverable amount. The recoverable amount of the Group's share in SMI has been determined on its fair value less costs of disposal (Fair Value). The costs of disposal have been estimated by management based on prevailing market conditions.

Fair Value is estimated based on discounted cash flows with reference to market based commodity price assumptions, estimated quantities of recoverable minerals, production levels, operating costs and capital requirements, based on the Mine Project Feasibility Study (MPFS) prepared by SMI. The Company considers this valuation approach to be consistent with the approach taken by market participants.

5. Investment in Associate (continued)**Impairment testing (continued)****Methodology (continued)**

Present values are determined using a risk adjusted discount rate appropriate to the risks inherent in realising the value of the assets. In determining the discount rate at 30 June 2014, the Company has referenced external inputs and made certain judgements in respect of specific risks observed in relation to the development of the Tampakan Project.

The estimates of quantities of recoverable minerals, production levels, operating and capital costs are sourced from the Tampakan Project's MPFS and the approved Work Plan.

Significant judgements and assumptions are required in making estimates of Fair Value. This is particularly so in the assessment of long-life assets and also for development-stage projects. These valuations are subject to variability in key assumptions including, but not limited to, long-term copper and gold prices, discount rates, production rates, operating and capital costs.

The Fair Value estimates are considered to be Level 3 fair value measurements (as defined by accounting standards) as they are derived from valuation techniques that include inputs that are not based on observable market data. The Group considers the inputs and valuation approach to be consistent with the approach taken by market participants.

(i) Key assumptions

The table below summarises the key assumptions used in the 30 June 2014 and 31 December 2013 carrying value assessments:

	30 June 2014	31 December 2013
Copper (US\$ per pound)	\$2.75	\$2.75
Gold (US\$ per ounce)	\$900	\$900
Discount rate	16.5%	16.5%

(ii) Commodity prices

Commodity prices used are the Company's base case assumptions. These assumptions are reviewed periodically against external market forecasts. Due to the long-term nature of the Tampakan Project with first production targeted in 2019, the commodity prices assumed reflect the Company's outlook from previous years and are consistent with the assumptions relating to capital and operating estimates. The implied Tampakan Project value is very sensitive to commodity price assumptions (refer Note 5 Sensitivity Analysis).

(iii) Discount rate

In determining the Fair Value of the Group's investment in SMI, future cash flows were discounted using rates based on the Company's estimated real after-tax weighted average cost of capital, pursuant to the Capital Asset Pricing Model, with an additional specific risk premium applied having regard to the uncertainty around Glencore ownership and the Work Plan. The implied Tampakan Project value is sensitive to the discount rate (refer Note 5 Sensitivity Analysis).

(iv) Operating and capital costs

Life of Mine (LOM) operating and capital cost assumptions are based on the Tampakan Project's MPFS (completed in 2010) and the approved Work Plan.

5. Investment in Associate (continued)

Impairment testing (continued)

Tampakan Production Profile

The Tampakan Project has strong potential as a large, long-life, low-cost open pit producer of copper and gold. The MPFS confirmed that Tampakan is a world-class copper and gold development opportunity. Highlights of the MPFS include:

- Long-life open pit, with potential for extension.
- Average planned annual production over the first 17 years of 375,000 tonnes of copper and 360,000 ounces of gold.
- Average planned annual production over the first five years of 450,000 tonnes of copper and 435,000 ounces of gold.
- Capital requirements of US\$5.9 billion (including a US\$900M allocation for a power plant).
- Attractive life-of-mine C1 cash costs (net of gold by-product credits) in bottom quartile of global producers.
- Low stripping ratio of 1.19:1 (waste:ore tonnes).

Impact

After conducting a carrying value analysis, an impairment charge of \$107.500 Million was recognised in the year ended 31 December 2013. No additional impairment charge was recognised at 30 June 2014.

Sensitivity Analysis

The Fair Value of the asset is approximate to the carrying amount at 30 June 2014.

Any variation in key assumptions used to determine Fair Value would result in a change of the assessed Fair Value. If the variation in assumption had a positive or a negative impact on Fair Value, it could indicate a requirement for reversal of, or additional impairment to, the Investment in Associate.

It is estimated that changes in the key assumptions would have the following approximate impact on Fair Value of the Group's investment in SMI:

	SMI US\$	SMI A\$
US\$100 per ounce increase in gold price	30.3M	32.2m
US\$100 per ounce decrease in gold price	(30.3M)	(32.2M)
US\$0.10 per pound increase in copper price	69.1M	73.4M
US\$0.10 per pound decrease in copper price	(69.7M)	(74.0M)
1% decrease in discount rate	84.9M	90.2M
1% increase in discount rate	(74.9M)	(79.6M)

It must be noted that each of the sensitivities above assumes that the specific assumption moves in isolation, whilst all other assumptions are held constant. In reality, a change in one of the afore-mentioned assumptions is usually accompanied with a change in another assumption.

As and when the ownership and development plan uncertainty is removed, the estimated discount rate may be reduced. In addition, as the specific country risk, approval risk and other assumptions contained in the model are mitigated, the estimated discount rate may be reduced further.

Notes to the financial statements (continued)

For the half-year ended 30 June 2014



6. Income tax

	Consolidated	
	30 June 2014 \$000	30 June 2013 \$000
Income Tax Expense/(Benefit)		
<i>Current income tax/(benefit)</i>		
Current income tax charge	(622)	595
Adjustments in respect of current income tax of previous years	(3,067)	-
Current year unrecognised tax losses	106	-
<i>Deferred income tax</i>		
Relating to origination and reversal of temporary differences	2,156	850
Adjustments in respect of deferred income tax of previous years	2,828	-
Income tax expense reported in statement of comprehensive income	1,401	1,445

Australian Taxation Office (ATO) Objection

The Company lodged an Objection Notice with the ATO regarding a possible deferment of income tax on interest income capitalised on its loans to SMI. On 31 July 2014, the ATO advised that they had approved the objection in full and that the interest income will be assessed once actually received from SMI.

As a result of the objection, the Company is in a tax receivable position of \$1.951M with carried forward losses of \$24.331M. This has been reflected at 30 June 2014.

The deferred interest income on the SMI loans results in a Deferred Tax Liability (DTL) of \$11.975M at 30 June 2014. This DTL has been offset against a Deferred Tax Asset of \$9.315M, resulting in a net DTL of \$2.660M for the period ended 30 June 2014 (2013: nil).

7. Issued capital

Period ending	30 June 2014 No.	31 Dec 2013 No.	Ordinary Shares	
			30 June 2014 \$000	31 Dec 2013 \$000
Balance at the start of the period	1,203,146,194	1,203,146,194	494,215	494,215
Movements in contributed equity for the half-year	-	-	-	-
Balance at the end of the period	1,203,146,194	1,203,146,194	494,215	494,215

Notes to the financial statements (continued)

For the half-year ended 30 June 2014



8. Commitments

The following is a summary of Tampakan Project capital commitments as at 30 June 2014:

	30 June 2014 \$000	Consolidated 31 Dec 2013 \$000
Tampakan Project committed expenditure	2,476	4,362

There are no other changes to commitments disclosed in the most recent annual financial report.

9. Contingent liabilities

There are no changes to contingent liabilities disclosed in the most recent annual financial report.

10. Events after the balance date

On 31 July 2014, the ATO advised the Company that it had granted the objection filed by the Company seeking to defer the interest income on the SMI loans until actually received.

11. Dividends paid and proposed

No dividends were paid during the half-year (2013: Nil) and no dividend is proposed to be paid at 30 June 2014 (2013: Nil).

In accordance with a resolution of the Directors of Indophil Resources NL, I state that:

In the opinion of the Directors:

- (a) The financial statements and notes of the consolidated entity for the half-year ended 30 June 2014 are in accordance with the *Corporations Act 2001*, including:
 - (i) giving a true and fair view of the financial position as at 30 June 2014 and the performance for the half-year ended on that date of the consolidated entity; and
 - (ii) complying with Accounting Standards AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.
- (b) There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

On behalf of the Board



BM Phillips
Chairman

Melbourne, 2 September 2014



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To the members of Indophil Resources NL

Report on the Interim Financial Report

We have reviewed the accompanying interim financial report of Indophil Resources NL, which comprises the statement of financial position as at 30 June 2014, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the half-year end or from time to time during the half-year.

Directors' Responsibility for the Interim Financial Report

The directors of the company are responsible for the preparation of the interim financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal controls as the directors determine are necessary to enable the preparation of the interim financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the interim financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 30 June 2014 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Indophil Resources NL and the entities it controlled during the half-year, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of an interim financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

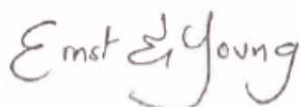
In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We have given to the directors of the company a written Auditor's Independence Declaration, a copy of which is included in the Directors' Report.



Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the interim financial report of Indophil Resources NL is not in accordance with the *Corporations Act 2001*, including:

- a) giving a true and fair view of the consolidated entity's financial position as at 30 June 2014 and of its performance for the half-year ended on that date; and
- b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.



Ernst & Young



Michael Collins
Partner
Melbourne
2 September 2014

Directors

Brian Phillips

Chairman (Non-Executive)

Richard Laufmann

Chief Executive Officer and Managing Director

Tony Robbins

Director (Executive)

Kyle Wightman

Director (Non-Executive)

David Carland

Director (Non-Executive)

Nicasio Alcantara

Director (Non-Executive)

Frederic DyBuncio

Director (Non-Executive)

Company Secretary

Kay Donehue

Chief Financial Officer

Anita Addorisio

Principal and Registered Office

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Auditors

EY

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SyCip Gorres Velayo & Co

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Solicitors/Attorneys

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Arnold Bloch Leibler

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Puno & Puno

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The Philippines

Fortun Narvasa & Salazar

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Makati City, Manila
The Philippines

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Melbourne VIC 3001
Australia

Bankers

Australia and New Zealand

Banking Group Limited

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Australia

Enquiries

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