

ASX RELEASE

23 SEPTEMBER 2014

INDOPHIL EXECUTES A SCHEME IMPLEMENTATION AGREEMENT WITH ALSONS PRIME INVESTMENTS CORPORATION

ALSONS PRIME INVESTMENTS CORPORATION PROPOSES TO ACQUIRE 100% OF INDOPHIL'S ISSUED SHARES FOR A\$0.30 CASH PER SHARE

Summary

- Indophil Resources NL (ASX: IRN) ("Indophil" or "Company") and Alsons Prime Investments Corporation ("APIC") have executed a Scheme Implementation Agreement ("SIA") to effect the acquisition of 100% of the issued shares of Indophil by APIC under a Scheme of Arrangement ("Scheme").
- APIC and its related entities in the Alsons Group ("Alsons") are the largest holders of Indophil shares (19.99%) and APIC has offered to acquire all of the Indophil shares on issue not already owned by APIC under the Scheme for A\$0.30 cash per share. The acquisition price represents a 43% premium to last close on 22 September 2014, a 38% premium to the 1 month Volume Weighted Average Price (VWAP) and a 52% premium to the 3 month VWAP, and implies an equity value for Indophil of approximately A\$361 million.
- Indophil's Independent Directors unanimously recommend that all Indophil shareholders vote in favour of the Scheme in the absence of a superior proposal and subject to an Independent Expert finding that the Scheme is in the best interests of shareholders.
- Glencore Queensland Limited ("Glencore") holds 157,189,422 shares in Indophil, representing a ~13.1% shareholder interest. Glencore advises that its intention is to vote to approve the Scheme at the Indophil Scheme Meeting subject to the conditions set out below.

Overview of the Scheme

Indophil's Independent Directors are pleased to announce that the Company has received an all-cash offer, under which APIC proposes to acquire all of the issued shares of Indophil not already owned by APIC under a Scheme of Arrangement.

Under the proposed Scheme, APIC will offer Indophil shareholders consideration of A\$0.30 cash for each Indophil share they own. The acquisition price implies an equity value for Indophil of approximately A\$361 million.

The Scheme is subject to limited conditions, including:

- Indophil shareholder approval as described below in 'Next Steps', noting that APIC and its related entities holding Indophil shares will be excluded from voting on the Scheme;
- Australian Foreign Investment Review Board (FIRB) approval;
- An Independent Expert concluding that the Scheme is in the best interests of Indophil shareholders; and
- Other customary conditions for transactions of this nature.

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Full details of the conditions precedent to the Scheme are set out in the Scheme Implementation Agreement ("SIA"), disclosed by Indophil in an ASX announcement made contemporaneously with this announcement.

The Scheme is not subject to a financing condition or a due diligence condition.

Indophil established an Independent Committee to consider and respond to APIC's proposed Scheme. Two representatives on the Indophil Board, Mr Alcantara and Mr DyBuncio, are associated with APIC and were not involved in Indophil's assessment of the proposed Scheme in a manner consistent with Australian participating insider protocols implemented by Indophil. Indophil's Independent Directors referred to in this announcement comprise all Directors of Indophil, excluding Mr Alcantara and Mr DyBuncio.

Indophil's Independent Directors have evaluated APIC's Scheme proposal and unanimously recommend it to Indophil's shareholders in the absence of a superior proposal and subject to an Independent Expert finding that the Scheme is in the best interests of Indophil shareholders.

The proposed Scheme removes exposure to the development risks for Indophil shareholders regarding the Tampakan Copper-Gold Project (see 'About Indophil' section) and provides Indophil shareholders with an opportunity to realise value for their shares in the form of cash at a significant premium to trading over periods in the last 12 months.

The Scheme price represents material premia to historical market prices, which are as follows:

- Last close - 43%
- 1 month VWAP - 38%
- 3 month VWAP - 52%
- 6 month VWAP - 78%
- 12 month VWAP - 85%

Subject to the aforementioned qualifications, Indophil's Independent Directors intend to vote all shares that they control in favour of the Scheme at the Scheme Meeting.

Indophil's Chairman, Brian Phillips, said: "The proposal from APIC offers Indophil shareholders a significant premium and value certainty. A transaction with APIC enables Indophil shareholders to realise their investment in Indophil and avoid exposure to the development risks which would need to be overcome in order to bring the Tampakan Project into production."

Glencore holds 157,189,422 shares in Indophil, representing a ~13.1% shareholder interest. Glencore advises that its intention is to vote to approve the Scheme at the Indophil Scheme Meeting subject to:

- i. There being no superior announced offer at that time;
- ii. As at the date of the Scheme Meeting, that the acquisition of Indophil Shares by APIC is scheduled to occur prior to 31 January 2015; and
- iii. The Independent Expert opining that the offer is fair and reasonable or in the best interests of all security holders.

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Indophil has commissioned an Independent Expert to determine whether, in its opinion, the Scheme is in the best interests of shareholders. The Independent Expert report, which will be supported by an independent technical specialist's report, will be provided to Indophil shareholders as part of the Scheme Booklet.

Background

Alsons has been a shareholder of Indophil since 2009 and as a Philippine-based conglomerate, has had a close strategic interest in the future of Indophil's flagship asset, the Tampakan Project. In late 2011, Alsons, via APIC, moved to strengthen its offshore strategic alliance with Indophil, by entering into a placement agreement to raise A\$97.7M. The investment was completed in February 2012. APIC and its related entities have since then controlled 19.99% of Indophil's shares on issue and have two representatives on the Indophil Board, who are currently Mr Alcantara and Mr DyBuncio.

This ongoing interest and strong support has culminated in APIC making an offer to acquire the balance of the shares outstanding which APIC and its related entities do not own in Indophil.

Next Steps

As detailed in the SIA, APIC's acquisition of Indophil is conditional upon approval from both 75% or more of the votes cast at the Scheme Meeting and 50% or more of the Indophil shareholders present in person or by proxy at the Scheme Meeting. APIC and its related entities holding Indophil shares will be excluded from voting on the Scheme at the Scheme Meeting. In due course, Indophil shareholders will receive a comprehensive Scheme Booklet that will contain full details of the proposed Scheme, including the full basis for the recommendation of Indophil's Independent Directors.

Indicative Timetable

Subject to the availability of Australian Court hearing dates, it is anticipated that the Scheme will proceed according to the following timetable:

- Lodge Scheme Booklet with the Australian Securities and Investments Commission (ASIC) - Late October 2014;
- First Court Hearing - Mid November 2014;
- Despatch Scheme Booklet - Mid November 2014;
- Scheme Meeting - Mid December 2014;
- Second Court Hearing - As soon as practical after the Scheme Meeting.

Advisers

Indophil's financial advisers are Citi and Grant Samuel, and its legal adviser is Baker & McKenzie.

APIC's financial adviser is Credit Suisse, and its legal adviser is Minter Ellison.

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About Indophil

Indophil was founded in 1996 and listed on the ASX in 2002. Indophil's key assets focus on a 37.5% share in the Tampakan Copper-Gold Project and as of today, approximately A\$208 million in cash. Glencore holds the remaining 62.5% interest in the Tampakan Project and acts as the Project Manager with the joint venture Sagittarius Mines, Inc. as the in-country operating arm. As at the date of this announcement, the total number of Indophil issued shares is 1,203,146,194 and the total number of unlisted options is 2,730,000.

The Tampakan Project, located on the island of Mindanao in the southern Philippines, is a globally-significant undeveloped long-life, large-scale and low-cost copper deposit.

The Tampakan Project was discovered, and is being developed, under formal agreement (known as the Columbio FTAA of 1995) with the Philippine Government, on behalf of the people of the Philippines.

The Tampakan deposit contains an estimated 2.94 billion tonne JORC-compliant mineral resource containing approximately 15 million tonnes of copper and 18 million ounces of gold. Tampakan is projected to produce 375,000 tonnes of copper and 360,000 ounces of gold per year in the initial mine-life of 17 years, with potential for mine-life extension.

About APIC

APIC is a member of the Alsons Group, a Philippine-based group of companies controlled by the Alcantara family. The Alsons Group has been in business in the Philippines for over 50 years, specifically in Mindanao. The Group has major investments in energy and power, property development, aquaculture and agribusiness, and mining. These investments include power plants in Mindanao, residential and industrial estate developments, aquaculture and agriculture operations, and mineral properties.

APIC is a wholly-owned subsidiary of the Alsons Group, incorporated in the Philippines. It is a special purpose vehicle incorporated for the purpose of subscribing for shares in Indophil in the placement completed in 2012. It is authorised to promote, invest, own and hold corporations or entities that are engaged in the exploration and development of energy and mineral properties.

For further information

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