Indonesia and Australia – Partners in Growth and Prosperity

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Vice Chairman G-Resources Group HKEX 1051
Vice Chairman CST Mining Group HKEX 985
Non Executive Director FMG
Director AUSIMM

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Introduction

- Virtuous Circle of Growth & Prosperity
- Multi – Decade Minerals Demand Growth
- Regional Prospectivity & Supply Opportunities
- Indonesia Overview & Current Issues
- Excellent Projects in Indonesia
- Thank You
Asia and Australia’s virtuous circle of economic growth and prosperity
Multi-Decade Minerals Demand Growth

World to continue in a long period of economic expansion
China still the main game
Traditional markets of US, Japan, Europe still important
But emerging markets are the future
BRICs → MIST → N11 → CIVETS

China’s GQ – Growth Quintella

Accelerating consumption from growing middle class
A metal intensive stage of economic development
Largest urban migration in world history
Massive infrastructure development
Social imperative

Large-scale infrastructure plans of China

<table>
<thead>
<tr>
<th>Ambitious construction plans are commodity-intensive</th>
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<td>Power generation investments – USD 430 billion by 2015e</td>
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<td>Power grid investments – USD 400 billion by 2015e</td>
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<td>Length of railway track - 91,000km in 2010 to 120,000km by 2015e</td>
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<td>Investment in urban subway systems - USD185 billion by 2015e</td>
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<td>Investment in water-resource facilities – USD 617 billion by 2020e</td>
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Source: CEC, MOR, NDRC, JP Morgan
Regional Prospectivity

- SE Asia-SW Pacific and Australia host a number of the world’s great Au and Cu-Au provinces
- Relatively modern volcanic arc environments host major Cu-Au mineral provinces in Indonesia-Philippines-PNG
- Lesser provinces occur in mainland SE Asia
Supply Opportunities – Australia and Asia

Global discovery rates are declining, but the opportunities are in Australia and Asia

Recent examples of discoveries in Australia and Asia
- Solomon Hub, FMG – WA, Australia (Iron ore)
- Marillana, Brockman Resources – WA, Australia (Iron ore)
- Calawingina & Wealthunduthaluna, Rio Tinto – WA, Australia (Iron ore)
- Beutong, TRM – Aceh, Indonesia (Cu-Au)
- Tujuh Bukit, Intrepid Mines – Java, Indonesia (Cu-Au)
- Hillside, Rex Minerals – SA, Australia (Au-Cu)
- DeGrussa, Sandfire Resources – WA, Australia (Cu-Au)
- Middlemount coal project, Macarthur Coal and Gloucester Coal – QLD, Australia
- The Alpha coal project, Hancock Coal – QLD, Australia
- Oaklands, Coalworks – NSW, Australia
- South Galilee coal project, Bandanna Energy – QLD, Australia
- Maruwai, BHPB - Indonesia
- Tuhup project, PT Borneo Lumbung – Kalimantan, Indonesia
Indonesian Economic Overview

- One of the largest economies in Southeast Asia. Its real GDP growth is predicted at 6-7% per year between 2010 and 2015 by IMF.
- One of the fastest growing economies among the G20
- Indonesia regained its Investment Grade rating recently
- Stable regime and mining friendly country
- Mining represents over 10% of its GDP
- New Mining Law came into force in 2009, simplifying the old permit process.
## Indonesia’s “Evolving New Mining Law”
### What Companies are Saying & Government is Doing

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<th>Category</th>
<th>Concerns</th>
<th>What is the Issue</th>
<th>Government Action</th>
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<td><strong>Regulation and Bureaucracy</strong></td>
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<td>CoW Renegotiations</td>
<td>Indonesia wants to capture additional income from existing mining projects and see more Indonesian ownership.</td>
<td>President assigned a team to finalize negotiations and seek a compromise.</td>
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<td>Changes to PP23</td>
<td>Two years after being passed, it looks like the Government is considering amending some of the “critical issues” in those regulations. Such as Divestment, IUP issuing Authorities, Title transfer and CoW/IUP Extensions. Most important issues discussed below.</td>
<td>The government is only considering taking this action, and it is now up to individual companies, Indonesian Mining Association and Embassy representatives of foreign countries to discuss and encourage the Indonesian government not to take such actions.</td>
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<td>Divestiture Requirements</td>
<td>Although the IUP stipulates divestment is set at 20% after 5th year of production, this is now under review. IUP holders fear a 51% divestment requirement is being considered.</td>
<td>The government would be unlikely to pass this, as foreign investment would further be hindered and high capital projects would remain undeveloped.</td>
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<td>In-Country Processing</td>
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<td>Gold, copper, nickel etc. to be refined in-country and no further direct shipping or raw materials or concentrate. Added costs to new projects, and lack of existing infrastructure to support refiners. Uneconomic processing.</td>
<td>Tax incentives recently announced for mining companies that setup a new business. In-country processing not enforced until 2014, which coincides with new election.</td>
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<td>Taxes and Royalties</td>
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<td>Significant difference in royalties paid by CoW holders and IUP holders. Unlike the CoW, taxes are not set out for the duration of the IUP, creates uncertainty</td>
<td>Government wants CoW holders to pay the same royalties as IUP holders, understandable.</td>
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<td>Settlement of Disputes</td>
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<td>Disputes to be settled through domestic courts and arbitration in accordance with prevailing laws and regulations.</td>
<td>It remains to be seen whether the government will allow companies to resolve disputes through international arbitration.</td>
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<td>Regional Autonomy, The Conflict between Central, Provincial and Regencies</td>
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<td>Inconsistent interpretation of existing laws at different government levels. Slows down projects, creates legal conflicts, and increases bureaucratic involvement.</td>
<td>Central government consistently work with regional and provincial officials. Companies must work with each government level to ensure project success.</td>
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<td><strong>Security</strong></td>
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<td>Illegal Mining &amp; Security</td>
<td>A total 18 drill rigs destroyed by fire and vandals in 2011. Illegal miners swarming gold concessions, no control from local government or protection.</td>
<td>People’s mining blocks (IPR) identified early on, and miners restricted to working within the block and to max depth 25m, as stipulated in the new law.</td>
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<td>Forestry Permits, Boundaries &amp; the recently announced Moratorium</td>
<td>Permits are taking 1-2 years to issue. Accuracy of forestry maps held by different levels of government. Moratorium on issuing new forestry permits.</td>
<td>New forestry law stipulates 5 months to secure a permit. Central government providing access to maps online. Moratorium revised every 6 months.</td>
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<td>Access to Quality Projects</td>
<td>Protected, conservation and forestry reserves cover more than 30% of Indonesia. Some of the most prospective areas are either inaccessible, or restricted to UG mining.</td>
<td>Spatial Planning under review in Regencies and Provinces, which is a five year plan for land utilization.</td>
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<td><strong>Forestry</strong></td>
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<td>Security of Tenure</td>
<td>Arc Exploration, Churchill Mining, and several other companies are faced with permits being revoked. CoW is much harder to revoke, clear legal path to arbitration.</td>
<td>Government is contemplating the situation, understands foreign companies are watching. Churchill case is with the courts, Arc is working to resolve issues, time will tell.</td>
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<td>IUP Exploration to IUP Production</td>
<td>Law supposedly guarantees the transition from an IUP exploration to an IUP production, companies are worried about additional financial obligations / requests.</td>
<td>Relatively untested, only time will tell.</td>
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<td>Overlaps</td>
<td>Local regencies issuing multiple IUPs for the same area.</td>
<td>New law stipulates this is punishable by law.</td>
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<td>One IUP - One Company</td>
<td>A foreign PMA company can only hold one IUP, which requires companies to establish multiple PMAs. This is costly and there are tax issues.</td>
<td>The government is discussing this, and it is possible that companies will be permitted to hold multiple IUPs.</td>
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<td>Tender Process</td>
<td>Three years on and no implementing regulation passed on the IUP Tender Process, moratorium on issuing of new IUPs</td>
<td>Mining area map (WP) is being prepared by the government and must pass through Parliament.</td>
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G-Resources Group Ltd

G-Resources

- Is an Asia Pacific gold company based and listed in Hong Kong
- Owns the Martabe gold and silver project in North Sumatra
- Is looking to grow an Asia Pacific focused world class gold company by:
  - Building Martabe to a 250,000 ozpa gold and 2–3 Mozpa silver operation
  - Organic growth from increases in Martabe Reserves and Resources and through discovery on the Martabe licence area
  - Acquisition and development of other quality projects or producing assets in Asia, Australasia and the Pacific region
- Is targeting one million ounces per annum gold production within five years

Asia hosts some of the world’s great gold deposits in the Tianshan and SE Asian mineral belts
The Martabe Project is a world class gold and silver project located in North Sumatra Province, Indonesia

- Discovered some 10 years ago
- 9 million ounces of gold equivalent resources
- Seven known deposits within a 5 x 6km area with Purnama the largest so far
- Part of a large-scale mineralised district which has the potential to host further gold and gold-copper deposits
- Fully permitted under a sixth generation Contract of Work
- Excellent location/infrastructure
- Construction completion early 2012

Notes: 1. Gold equivalent calculated as 60g/t Ag being equal to 1g/t Au
G-Resources Martabe Project
Australia-Indonesia Connections

Discovery • Development • Operation

World’s best practice project delivery and technical, operational, environmental and social management

Government and Industry support
- Indonesian Mining Association
- Embassies, Austrade
- IABC, AIBC
- AusIMM
- PERHAPI

Major Contractors
- Ausenco
- Leighton
- McConnell-Dowell
- PT Duta Graha Indah
- PT Epiterma Mas
- PT Grama Bazita
- Areva
- SGS

Advisors & Consultants
- GHD
- Cube
- QG
- GRM
- Golders
- Coffey
- Castle Asia
- University of Nth Sumatra

Suppliers
- Orica
- Bollé Group
- PBU
- Susi Air

Legal & Financial Services

Management

Funding
COMPANY HIGHLIGHTS

- Tigers Realm Coal IPO (ASX:TIG) with EV $145M
- Exploring projects with world class copper and gold resource potential
- Targeting the next world class uranium ore body in the Athabasca Basin, Canada
- $100M capital raised in last 2 years
- Highly experienced resources team with an outstanding track record

Tigers Realm Coal (TRG 33%)

- Coking coal near coast/existing infrastructure
- Amaam (earning 80%) 294Mt Inferred Resource, additional 220-345 Exploration Target
- Landazuri (60%/70%) – 28Mt Inferred Resource, additional 165-260Mt Exploration Target

Tigers Realm Metals (TRG 51%)

- Targeting 1-2 Mt copper in resources over next 12-24 months
- Recent results inc. 374m @0.9% Cu & 0.13g/t Au
- Multi-million ounce gold potential in Indonesia

NexGen Energy Ltd (TRG 100%)

- Optioned the Radio Uranium Project
- 2km along strike from Hathor’s Roughrider

Capital Structure

- 287M shares on issue
- $4.0M cash

Overview of Tigers Realm Group (TRG)

- Melbourne based private company
- Building a world class resources group - delivering outstanding shareholder returns
- Core commodity focus – gold, copper, coking coal & uranium
- Management shareholding ~37%

Key assets:

- Tigers Realm Coal Limited - 33%
- Tigers Realm Metals - 51%
- NexGen Energy Ltd - 100%
- Strategic investments - Carube Resources - 6.5%
**Beutong Copper Project**

- 60km north-east of Meulaboh, Aceh
- Excellent access and infrastructure
- Tenement covers 100 km² (10,000 Ha)
- Option to earn up to 80% through a joint venture earn in with a private Indonesian company (PT EMM)
- Two porphyry copper (gold/molybdenum) prospects - West and East Porphyries
- Forest classification over deposits allows exploration and open pit mining

**Objectives:**
- Prove up resource base 100-200Mt at +1% Cu over next 12 months
- Rapidly advance to BFS
- Production Target of 50-100Ktpa of copper by 2016
Woyla Gold Project

- Licence is a 6th Generation COW
- TRM earning 80%
- 70km north of Meulaboh close to road and power infrastructure
- COW is under-explored – Never drilled
- Over 3.5km of outcropping mineralised veins with excellent surface results
- District is host to numerous deposits with historical gold inventory of +20Moz and analogous to many of the world’s premier gold and copper belts
- Highly prospective for epithermal gold and porphyry copper–gold deposits
Jelai Gold Project

- Jelai project is located in East Kalimantan Indonesia, 45 km from the city of Tarakan
- The prospect lies in foot hills and is accessed via all-weather regional highway and existing logging roads
- TRM holds an option to earn up to 70% through a joint venture with Kalimantan Gold Corporation (KGC)
- Excellent drill results highlight potential for +1moz high grade gold deposit with a further eleven untested prospects throughout the tenement
- TRM plans to target extensions to high grade shoots and establish an initial resource within 12 months
Supply Side Industry Zealot

www.owenhegarty.com.au

Thank You