



LAFAYETTE MINING LIMITED



Lafayette Mining Limited Sydney Mining Club

June 2005











Introduction

- Focus – Philippine polymetallic Rapu Rapu Project
- Gold production Q2 2005
- Base metal concentrate production Q4 2005
- Forecast revenue of US\$300m over initial 6 year life
- Full Philippine Government backing

Lafayette Mining Limited

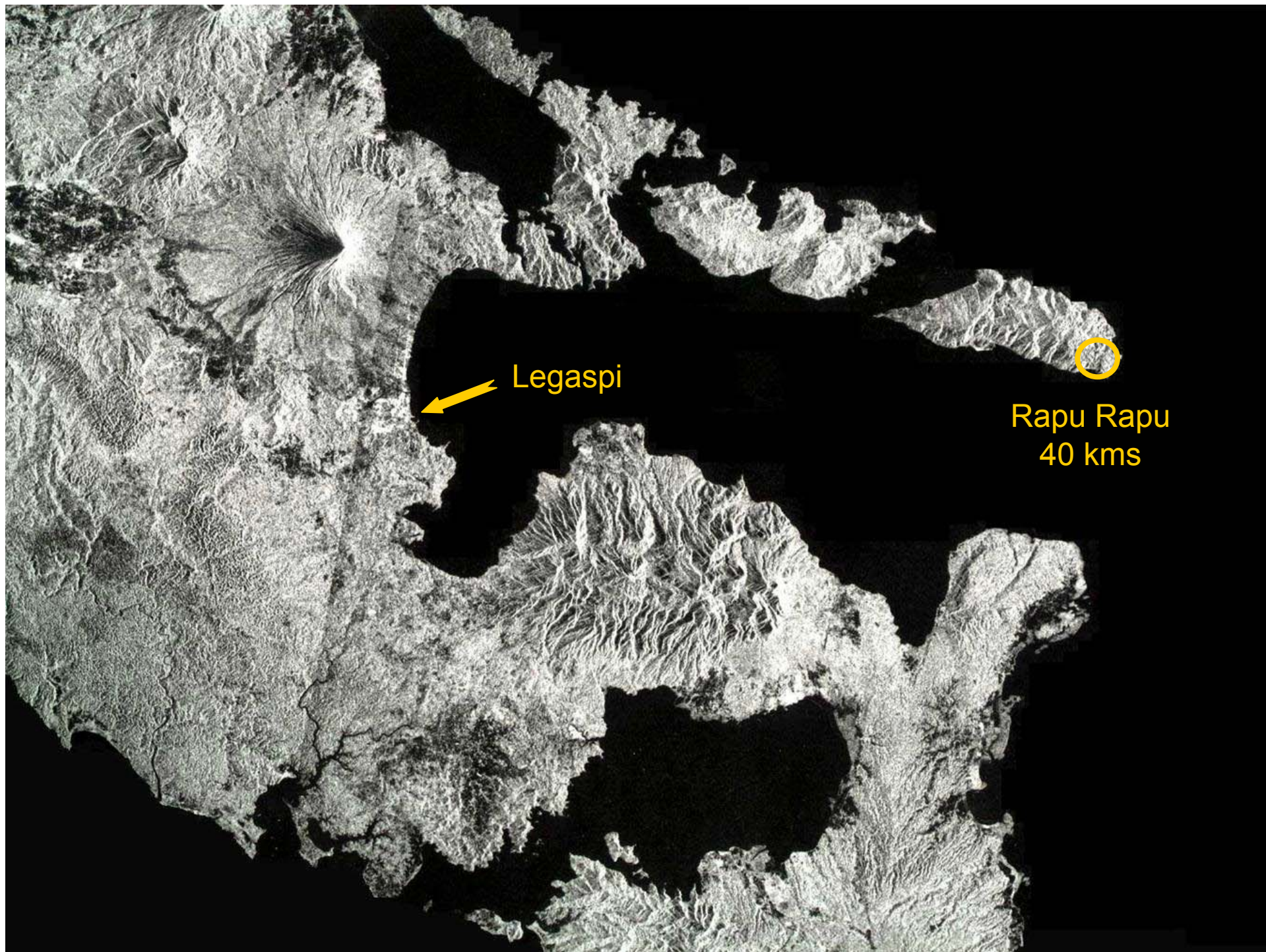
- Listed on ASX August 1997
- Market cap – A\$100m
- Lion Selection Group - 21%
- Experienced resource sector management team

People

- Reg Gillard Non Executive Chairman
- Andrew McIlwain Managing Director
- Kevin Robinson Non Executive Director
- David Mahony Non Executive Director
- Peter Geddes Non Executive Director

- Alan Thompson General Manager - Operations
- Rod Watt Country Manager
- Tim Hickman CFO/Company Secretary





Legaspi

Rapu Rapu
40 kms

The Rapu Rapu Project

- Multi commodity – Cu, Au, Zn & Ag
- Fixed price construction contract - Leighton
 - US\$32m
 - No price escalation – steel, fuel, labour
 - Minimal contractual claim position
- Conventional technology
- Strong operational cashflow
- Significant project upside potential

Project

- 1st new mine foreign investment since 1968
- Mineral title – MPSA, not FTAA
- Significant tax concessions - VAT, land & income
- Life of Project offtake agreements
- Key alliance with LGI and KORES
- Full Government support – “showcase”

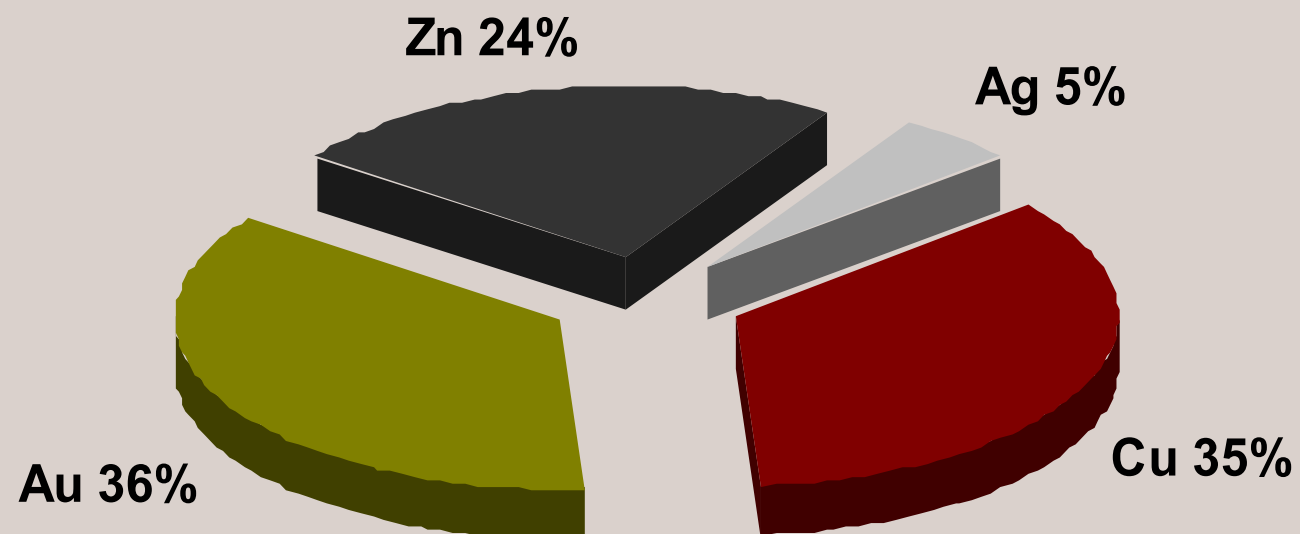
Physicals – Annual Production

- Copper 10,000t
- Gold 50,000oz
- Zinc 14,000t
- Silver 600,000oz
- ~175k ozs gold equivalent production pa
- 6 year mine life

Project - Financials

- Project capex US\$43m
- US\$35m principal debt
 - Rothschild, ABN Amro, ANZ, KFB, Investec
- US\$10m equity & sub debt
 - LGI & KORES
- NPV of US\$70 @ 5%
- IRR of >40%
- Payback – 2 years

Project - Revenue Split



Operating Financials


- Au cash cost - US\$125/oz*
- Cu cash cost - US\$0.29/lb*
- Free cash flow - US\$95m
- P/E ratio <2 in 2008

*proportional allocation of costs

Project - Financials

- High Margin Operation
 - Lower quartile of cost curve
 - Profitable throughout the metal price cycle
- Hedging
 - 65% of project during loan life of 44 months
 - Forwards on Au and Ag
 - Puts and forwards on base metals
 - No currency

Project - Schedule

- 
- ✓ July '04 EPC contract signed
 - ✓ Dec '04 First concrete poured
 - ✓ Feb '05 First ore mined
 - ✓ May '05 Crusher running
 - Jun '05 First gold to be poured
 - Oct '05 Commissioning Base Metals plant
 - Nov '05 First concentrate export





12 4 2005



12 4 2005

Project - Community

- Land purchase
- Relocation housing
- Social fund = 1% of mining & milling cost
 - Sustainable business opportunities
 - Pig raising, fruit growing, fishing fleet
 - Power, Water & Sewerage to approximately 1500 locals
- Regarded as our “Key Advantage”

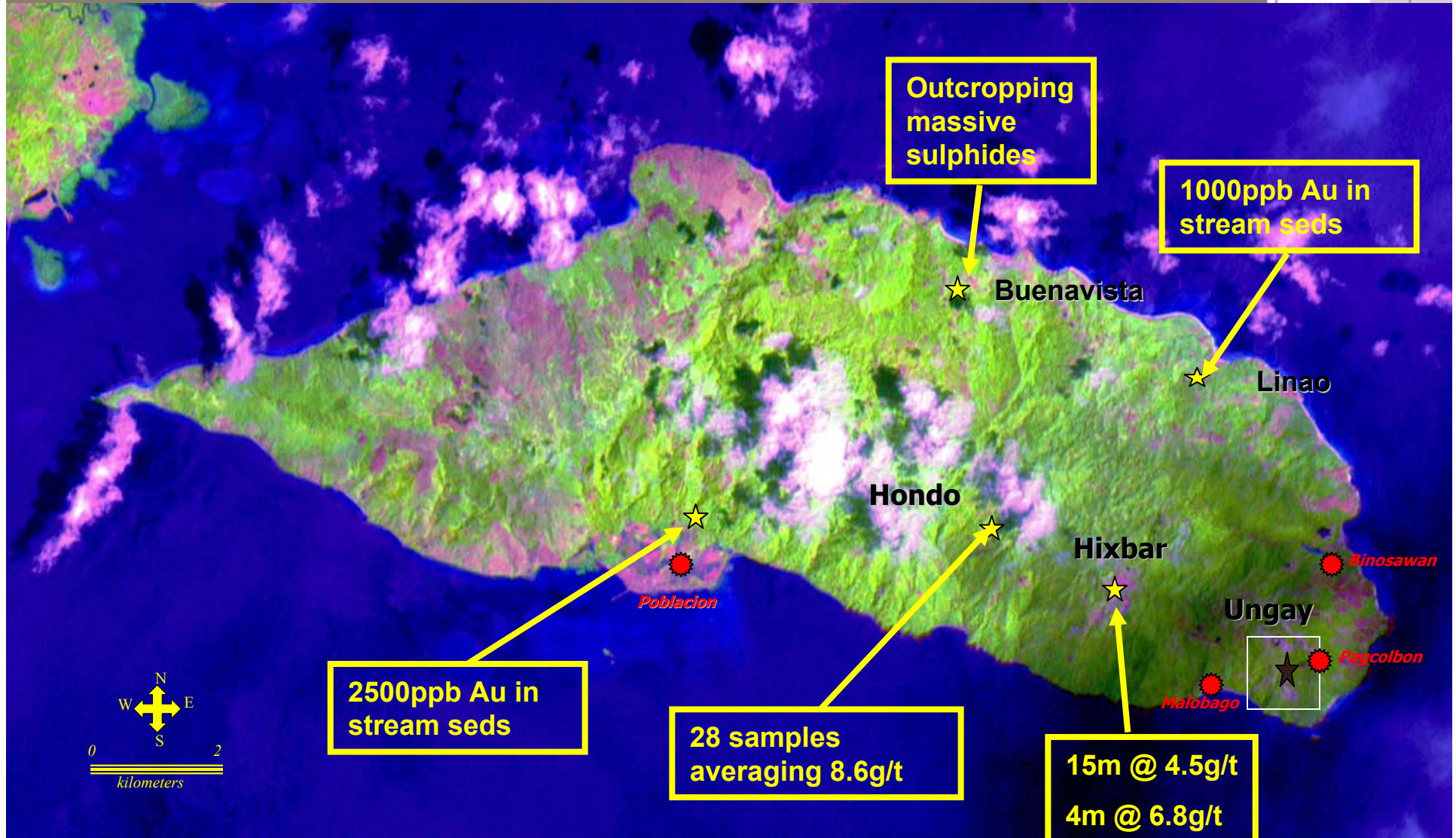


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2005 Exploration Program

- 4% of tenements explored
- Ground “EM” survey at Hixbar completed
 - NW trending conductor
 - Drilling in progress
 - Oxide resource
- Airborne “EM” survey of Rapu Rapu – Oct ‘05

Exploration



Growth Opportunities

- Additional “In Pit” resource: + 1 year
- Hixbar gold resource: + 1 year
- Hixbar sulphide resource: + 3 years
- Linao sulphide target: + 5 years

Philippines – the place to be

- English speaking
- Long mining history
 - Established mining culture and laws
 - Export of commodities
 - Repatriation of earnings
- “Elephant” country

Philippine Giants



	Cu (mt)	Au (mozs)
Tampakan	12.00	16.08
Far South East	2.60	14.19
King King	1.35	6.53
Didipio	0.53	3.44
Antomok		9.65
Aroroy		2.53
Diwalwal		6.37

Philippines – “Open for Business”

- Proactive democratic government
 - Actively seeking foreign investment
 - Security of Title
 - “Minerals Action Plan”
 - Low political risk
 - National assets available

Future

- Partner of choice
- Key support from President
- Demonstrated success
- Appointment of Business Development Manager
- Appointment of Jerry Brimo (ex Philex Pres)
- In country opportunities

Summary

- Plant commissioning underway
- 10 year mine life
 - Mine extension
 - Regional
- Strong cash flow
- In country opportunities
- Country diversification

Gold for Lafayette...



**Production
this
month!**

