



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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“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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