



PANAUST

# FRIEDA RIVER COPPER-GOLD PROJECT, PAPUA NEW GUINEA



*PanAust holds an 80 per cent interest in the Frieda River Copper-Gold Project in Papua New Guinea (PNG). Joint Venture partner, Highlands Pacific holds the remaining 20 per cent.*

PanAust completed a feasibility study for the Project in May 2016. In June the same year, PanAust submitted an application for a Special Mining Lease (SML) for the Project to the PNG Mineral Resources Authority (MRA).

In May 2017, PanAust announced the completion of an addendum to the original feasibility study. The addendum incorporated data and technical analysis from geological, geotechnical and metallurgical field programs that was not available at the time of the feasibility study.

In line with a commitment made in the Proposal for Development that accompanied the SML application, PanAust has investigated opportunities identified in the feasibility study to increase the value of the Project, decrease capital expenditure, and reduce the overall Project risk profile.

In August 2018, PanAust announced it had revised the scope of the Project to align with the Government of PNG's development strategy. The revised scope supports a mine life in excess of 30 years and greater extraction of the extensive Mineral Resource by leveraging third-party shared-use infrastructure.

The new Project scope comprises:

- a long-life, large-scale open-pit copper-gold mine to extract the Horse-Ivaal-Trukai, Ekwai and Koki (HITEK) mineral deposits
- a conventional comminution and flotation process plant treating in excess of 40 million tonnes per annum of ore
- transport of high-quality copper-gold concentrate via a 320 kilometre buried pipeline to the Vanimo Ocean Port for export to custom smelters

- peak annual metal in concentrate production of 290,000 tonnes of copper and 360,000 ounces of gold
- subaqueous storage and containment of mine waste rock and tailings within a large integrated storage facility (ISF)
- a land-based logistics and infrastructure corridor connecting the mine to the Vanimo Ocean Port
- low-cost renewable energy from a hydroelectric power facility supplied by water from the ISF reservoir.

The hydroelectric facility will operate beyond the life of the Project, supplying surplus power to the Sepik region which currently lacks both substantial generating capacity and a transmission grid.

PanAust expects to complete the feasibility study and associated Environmental Impact Statement for the revised Project by the December quarter 2018, prior to lodging amendments to the 2016 SML application and associated permits, subject to Joint Venture approval.

## ECONOMIC IMPACTS AND SUSTAINABILITY

The Project will make a substantial positive economic contribution to PNG at both a national and provincial level. It will be the first major, large-scale natural resource project in the Provinces of Sandaun and East Sepik. Supporting infrastructure, including an ocean port, roads, airport, communication links, and power supply will assist other industries and enable an array of economic opportunities for the region.

The Project offers the potential to generate benefit streams to landowners and host communities, and create new employment and business development opportunities during implementation and operations.

Landowner communities will benefit from royalty streams, compensation and community development projects which will focus on skills development, local business opportunities, and improved health and education outcomes.

### Photo captions: (L-R)

An aerial view of the Frieda River Copper-Gold Project site facilities at the Frieda River airstrip  
A map of Papua New Guinea showing the location of the Frieda River Copper-Gold Project