

## ASX ANNOUNCEMENT

2 April 2015

# Letter to Shareholders in relation to GRAM's intention to make a Takeover Offer

Attached is a letter that is being posted to shareholders.

For further information contact:

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PANAUST

2 April 2015

Dear Shareholder,

## Receipt of Notice of Intention to make a Takeover Offer

On 30 March 2015, PanAust announced that it had received a letter from Guangdong Rising Assets Management ("GRAM") on Saturday, 28 March 2015, announcing its intention to make an unconditional, off-market takeover offer to acquire all of the shares (not currently held by GRAM) of PanAust at a cash price of \$1.71 per share ("Takeover Offer").

On Monday 30 March 2015, GRAM released its Bidders Statement on the Australian Securities Exchange (ASX) advising that it expected to dispatch the document to PanAust shareholders on or about 13 April 2015.

GRAM is a significant shareholder in PanAust and, at the time of the approach, held approximately 22.5% of the Company. PanAust notes that the Takeover Offer is unsolicited and has been made at a time when both the PanAust share price and spot prices for copper and gold have been trading at near 5 year lows.

PanAust also notes that GRAM made a non-binding and indicative takeover proposal in April 2014 at a higher price; however, no formal takeover proposal at that price was ever received by PanAust.

PanAust notes the Takeover Offer is not yet open for acceptances. The PanAust Board will consider the Takeover Offer and will provide advice to shareholders in due course. In the meantime, the Board recommends shareholders **take no action** in relation to the Takeover Offer.

PanAust is being advised by Rothschild (financial adviser) and Herbert Smith Freehills (legal adviser).

Yours faithfully

Mr Garry Hounsell  
Chairman

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