



## December Quarter 2009 Review\*

22 January 2010



\*This presentation should be read in conjunction with the December quarter 2009 activities and cash flow report

# Highlights

---

- Significant improvement in Phu Kham quarterly performance achieved
- Record quarterly production:
 

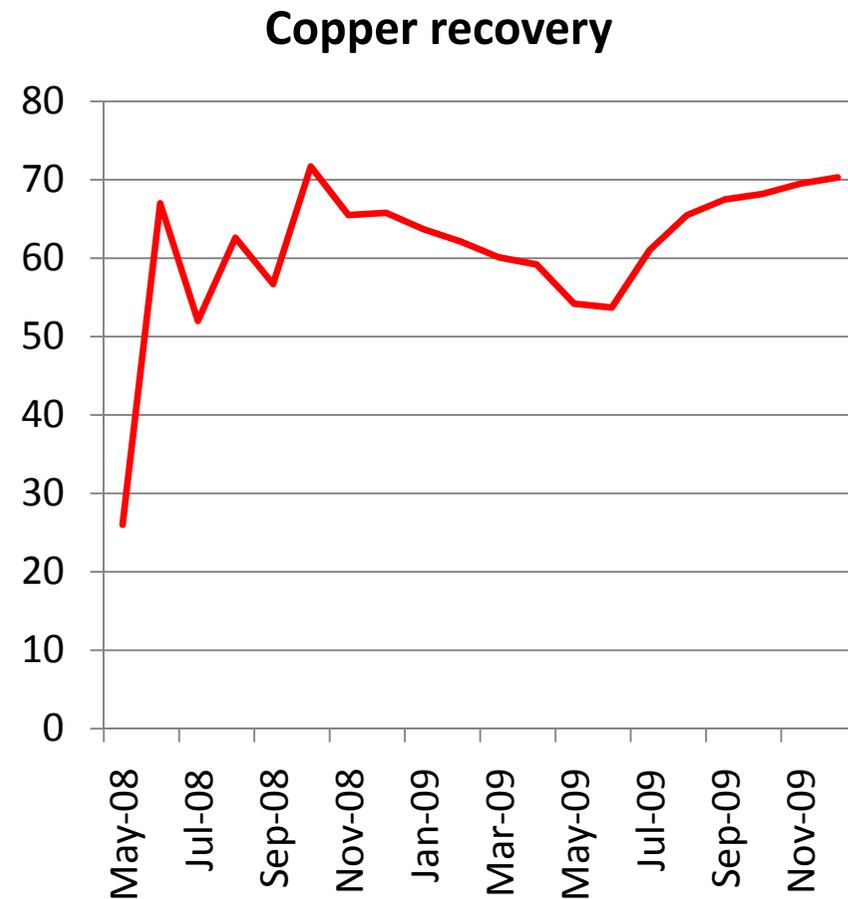
▪ Copper in conc.	16,854t	+27% q-o-q
▪ Gold in conc.	14,393oz	+45% q-o-q
▪ Silver in conc.	157,711oz	+44% q-o-q
▪ Gold doré	4,890oz	
▪ C1 cash cost*	US\$0.80/lb	-37% q-o-q
▪ EBITDA	US\$67.9M	+255% q-o-q
- Annual production guidance exceeded for all metals at lower cash cost

\* After by-product credits, based on invoiced pricing for gold and silver

# Phu Kham Operations

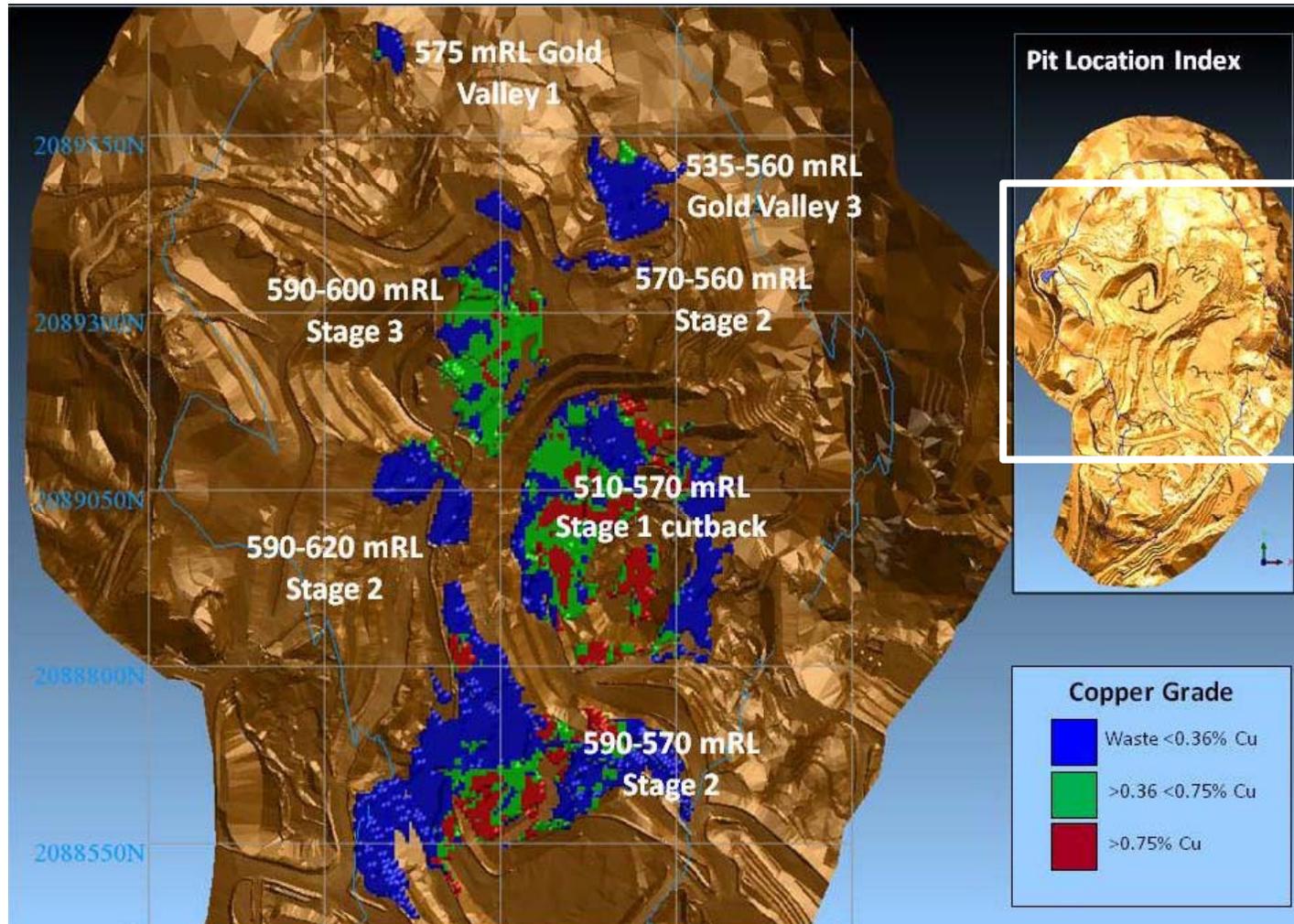


- Improved mill operating time with no major shutdowns
- Improved capacity to provide blended ore product to the mill as the open pit expanded
- Success of recovery enhancement projects implemented during the September quarter 2009
- Strong positive reconciliation for both gold and silver head grade
- Oxide gold ore depleted; leaching to continue until March 2010



# Improved access to multiple ore sources

- Greater operating flexibility as the open pit deepens and expands



Phu Kham Stage 1, 2 and 3 Ore and Waste Mining Areas – December 2009

# Ban Houayxai Gold Project

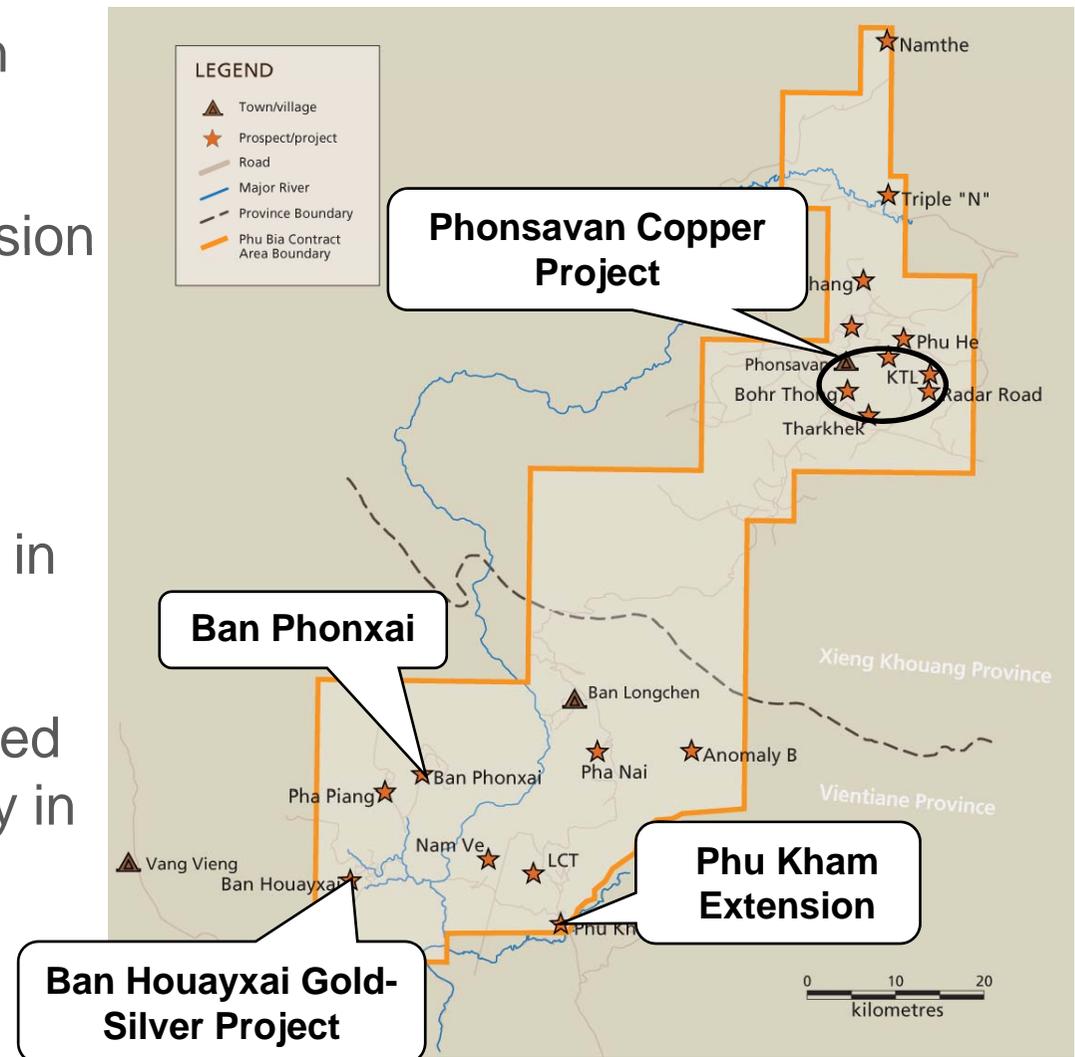


- Board approved pre-development works during the quarter keeping the Project on a fast track
- Pioneering mobile equipment mobilised to site in December
- Bulk earthworks commenced for plant site, access road and raw water storage facility
- Feasibility Study on schedule for announcement of results in March quarter 2010



# Exploration

- Phu Kham – Resource extension drill program continued
- Ban Houayxai – Resource extension program commenced December
- Phonsavan Copper Project – Resource development program commenced at the KTL prospect in October
- Ban Phonxai – Drilling commenced at this large copper-gold anomaly in November



# Sustainability

- No Lost Time Injuries occurred during the quarter – rolling 12-month LTI frequency rate 0.31
- A second group of 15 trades trainees graduated from their 2 year courses in January 2010
- All graduate trainees employed by Phu Kham maintenance departments
- New intake recruitment of trades trainees has commenced



# Outlook



- Phu Kham production guidance for 2010:
  - Copper in conc. 60,000t to 63,000t
  - Gold in conc. +40,000oz
  - Silver in conc. +300,000oz
  - Gold doré ~3,000oz
  - C1 cash cost\* US\$0.95/lb to US\$1.05/lb
- Financial guidance for 2010 (copper price US\$2.50/lb to US\$3.00/lb):
  - EBITDA US\$165M to US\$225M
- Ban Houayxai feasibility study scheduled to be announced in the March quarter 2010; major site works commenced January 2010
- Exploration and evaluation budget of US\$18 million for 2010

\* After by-product credits, assuming gold and silver prices of US\$1,000/oz and US\$16/oz respectively and US\$0.78/litre diesel fuel cost

# Important notice



This presentation has been prepared by PanAust Limited (the 'Company') for the benefit of brokers, analysts and investors and not as specific advice to any particular party or person.

The information is based on publicly available information, internally developed data and other sources. No independent verification of those sources has been undertaken and where any opinion is expressed in this document it is based on the assumptions and limitations mentioned herein and is an expression of present opinion only. No warranties or representations can be made as to the origin, validity, accuracy, completeness, currency or reliability of the information. The Company disclaims and excludes all liability (to the extent permitted by law), for losses, claims, damages, demands, costs and expenses of whatever nature arising in any way out of or in connection with the information, its accuracy, completeness or by reason of reliance by any person on any of it.

Where the Company expresses or implies an expectation or belief as to the success of future exploration and the economic viability of future projects, such expectation or belief is based on management's current predictions, assumptions and projections. However, such forecasts are subject to risks, uncertainties and other factors which could cause actual results to differ materially from future results expressed, projected or implied by such forecasts. Such risks include, but are not limited to, exploration success, gold and copper price volatility, changes to the current mineral resource estimates, changes to assumptions for capital and operating costs as well as political and operational risks and governmental regulation outcomes. For more detail of risks and other factors, refer to the Company's other Australian Securities Exchange announcements and filings. The Company does not have any obligation to advise any person if it becomes aware of any inaccuracy in, or omission from, any forecast or to update such forecast.

## **Forward-Looking Statements**

This presentation includes certain "Forward-Looking Statements". All statements, other than statements of historical fact, included herein, including without limitation, statements regarding forecast cash operating costs and financial performance, potential mineralisation, resources, exploration results and future expansion plans and development objectives of PanAust Limited are forward-looking statements that involve various risks and uncertainties. There can be no assurance that such statements will prove to be accurate and actual results and future events could differ materially from those anticipated in such statements. Canadian investors are advised that this presentation has not been prepared in accordance with Canadian securities law relating to forward looking statements and that the forward looking statements included herein may not be accompanied by the disclosure and explanations that would be required of a Canadian issuer under Ontario Securities Laws.