



December Quarter 2010 Review*

24 January 2011



*This presentation should be read in conjunction with the December quarter 2010 activities report

Highlights



Phu Kham Copper-Gold Operation

- Second successive quarter of record copper production
- Total copper production for 2010 exceeded revised guidance; 67,806t produced at an average C1 cash cost¹ of US\$0.87/lb after precious metal credits
- 2010 Earnings before Interest, Tax, Depreciation and Amortisation of US\$299M (unaudited)

Growth projects

- Ban Houayxai Gold-Silver project 21% complete; on track for commencement of commissioning in December 2011
- PanAust Board approval for Phu Kham upgrade project
- Inca de Oro Copper-Gold Project: issuing of Presidential decree is close to finalisation

1: C1 direct operating costs based on payable copper in concentrate produced, after precious metal credits.

Phu Kham Operations



- Consistent strong operating performances continued
- Record quarterly production of 18,871t of copper at an average C1 cash cost of US\$0.76/lb after precious metal credits from 17,826oz of gold and 144,489oz of silver
- Above nameplate mill processing rates achieved on softer transitional ores
- Improved recovery rates on chalcopyrite ore



Phu Kham Upgrade



- Mill processing rate to increase by 33% to a nominal 16Mtpa on primary ore; potential to process 17Mtpa of softer lower grade ore
- Order for the major long-lead item, the 13MW ball mill, was placed in Nov-2010
- Upgrade planned for completion in 2012 timed to coincide with scheduled decline in head grades as more primary ore is mined and processed
- Annual copper production levels to increase to between 65,000t and 70,000t more than offsetting scheduled decline in ore head grades



Ban Houayxai Gold-Silver Project



- Project 21% complete and on schedule; expenditure and commitments totalled approximately US\$78M out of a total capital for the Project of US\$150M
- Open pit pre-development work and grade control drilling commenced during the quarter
- Off-site fabrication of the permanent camp and admin buildings completed; on-site foundation work for the permanent buildings and ball mill well advanced; installation of the CIL tank ring beams completed



Outlook

- Strong mine and mill performances are expected to continue
- Additional flotation capacity will be installed during a planned maintenance shutdown scheduled for late January
- Commissioning of the increased flotation capacity through the March quarter is expected to enhance the average copper recovery rates by several percentage points
- 2011 production guidance:
 - Copper 62,000t - 65,000t
 - Gold 50,000oz – 55,000oz
 - Silver 450,000oz – 500,000oz
 - C1 cash cost US\$0.95/lb to US\$1.05/lb
- 2011 EBITDA is expected to be between US\$335M to US\$390M at copper prices between US\$4.00/lb to US\$4.50/lb

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