



June Quarter 2012 Review*

19 July 2012



*This presentation should be read in conjunction with the June quarter 2012 activities report



Highlights and outlook

- Consolidated year to date production of 29,681t copper, 41,587oz gold and 246,161oz of silver; in good shape to meet full year production guidance of approximately 64,000t copper, 135,000oz gold and 650,000oz silver
- During the December half 2012, PanAust will begin to reap the benefits from circa US\$300M of capital projects that will substantially grow the Company's production profile
- Phu Kham soon to operate at expanded processing rates to deliver approximately 34,000t of copper and 30,000oz of gold for the December half; full year cash cost guidance is maintained at between US\$1.05/lb and US\$1.15/lb after precious metal credits
- Ban Houayxai ramped up and expected to deliver over 65,000oz of gold in the December half at a cash cost of approximately US\$500/oz after silver credits

Highlights: Pre-development projects

- Inca de Oro feasibility study completed: focused on the sulphide mineral resource and development of a 12Mtpa open pit and flotation process operation
- The study concluded that at price assumptions of US\$3.00/lb copper, US\$1,600/oz gold and US\$30/oz silver the Project would not provide a sufficient return
- The study scope will be extended to include processing of Inca de Oro acid soluble mineralisation and evaluation of the nearby Carmen and Artemisa deposits
- Phonsavan Copper-Gold Project: pre-feasibility study underway focussing on KTL deposit
- Nam San underground: engineering design nearing completion for access to the Nam San deposit and Phu Kham mineral resources beneath the designed open-pit by 2015

Phu Kham Operations

- Quarterly copper in concentrate production of 13,908t at an average C1 cash cost of US\$1.15/lb copper after precious metal credits from 14,263oz of gold and 97,269oz of silver
- Quarterly production and cash cost performances reflect scheduled lower average copper head grades partly offset by a higher average copper recovery rate
- Copper production strongly skewed to the December half 2012; expanded processing rates to deliver approximately 34,000t of copper and 30,000oz of gold
- Full year cash cost guidance maintained at between US\$1.05/lb and US\$1.15/lb



Phu Kham Projects

Upgrade Project:

- Commissioning commenced; cleaner circuit scheduled to be on-line at the end of July; ball mill and rougher circuit to be commissioned during August
- Project remains within the US\$95M budget

Increased Recovery Project:

- Expected to lift average annual copper and gold production by 5,000t and 7,500oz respectively while reducing cash costs by more than 5%
- Detailed design work has reduced the estimated capital cost by 30% to US\$45M
- Construction to commence in December quarter 2012 and be completed in the September quarter 2013



Ban Houayxai Gold-Silver Operation

- Project completed within 5% of the US\$200M capital budget
- First gold-silver doré poured 1 May 2012; commercial production from 1 June 2012
- Quarterly gold and silver production of 12,664oz and 10,074oz respectively; gold production for June of 9,257oz at a cash cost of US\$514/oz
- Target gold recovery rates on oxide ore quickly attained; silver recovery rates ramping up and grades increasing with depth
- December half production is expected to be over 65,000oz of gold at an average cash cost of US\$500/oz after silver credits



Inca de Oro Feasibility Study results

- The study focused on the sulphide resource and concluded that the Project would not provide a sufficient return at a US\$3.00/lb copper price
- Competitive capital cost: plant and infrastructure US\$635M (includes 14% contingency); further US\$107M required for pre-strip
- Average annual copper production for first five years of approx. 60,000t at a cash cost of US\$1.43/lb
- Power availability and costs will improve as new base load generators come on-line



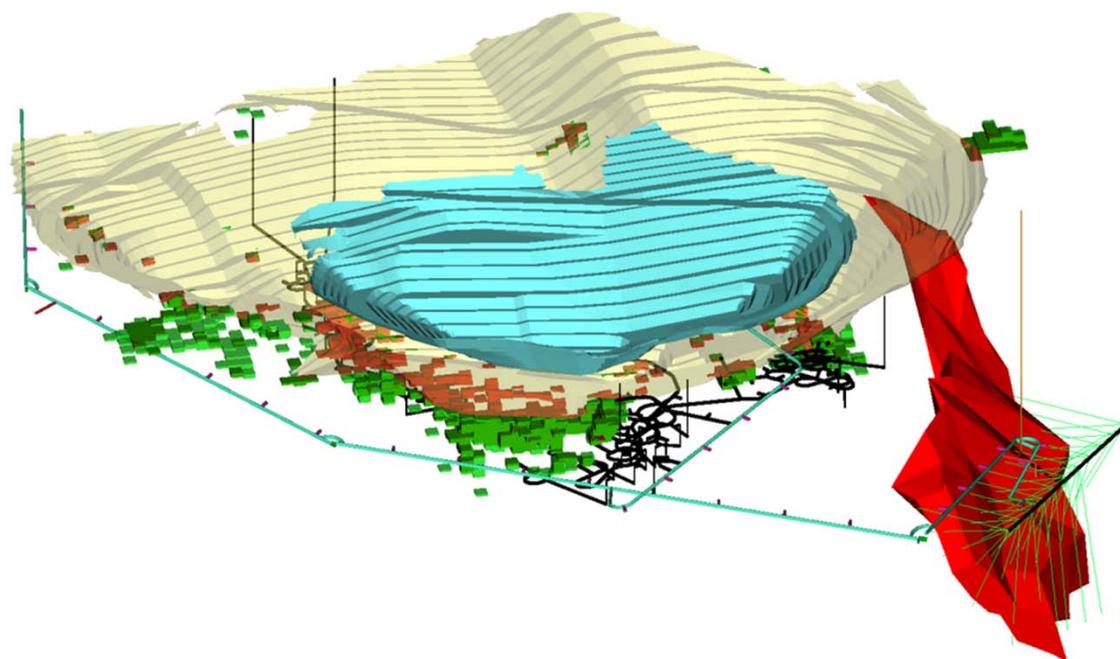
Inca de Oro Project: strategy

- Scope of study extended to evaluate potential for additional oxide and sulphide resources to make a material contribution to the robustness of the Project
- Drilling has commenced at Artemisa; two phases of drilling to be completed at Carmen
- Further studies to be undertaken for processing concept for acid soluble mineralisation
- MOU with Codelco's El Salvador Operation for access to process water during early years of operation
- The studies will be coupled with negotiations to secure a life-of-mine power tariff for the Project and are expected to be completed in late 2013



Nam San and Phu Kham underground

- Engineering design work nearing completion for accessing the Nam San deposit and mineralisation beneath the design base of the Phu Kham open pit by 2015
- Studies commenced to identify the requirements to achieve further increases in the capacity of the Phu Kham process plant
- Adding a further 2-3Mtpa of higher grade mill feed has the potential to lift annual Phu Kham copper production to over 90,000t



Outlook



- Phu Kham Upgrade to progressively increase processing capacity: December half 2012 production of approximately 34,000t copper and 30,000oz of gold
- Phu Kham full year cash cost guidance is maintained at US\$1.05/lb to US\$1.15/lb after precious metal creditsⁱ
- Ban Houayxai ramped up and expected to deliver over 65,000oz of gold in the December half 2012 at a cash cost of approximately US\$500/oz after silver credits

Data shown on a 100% equity basis.

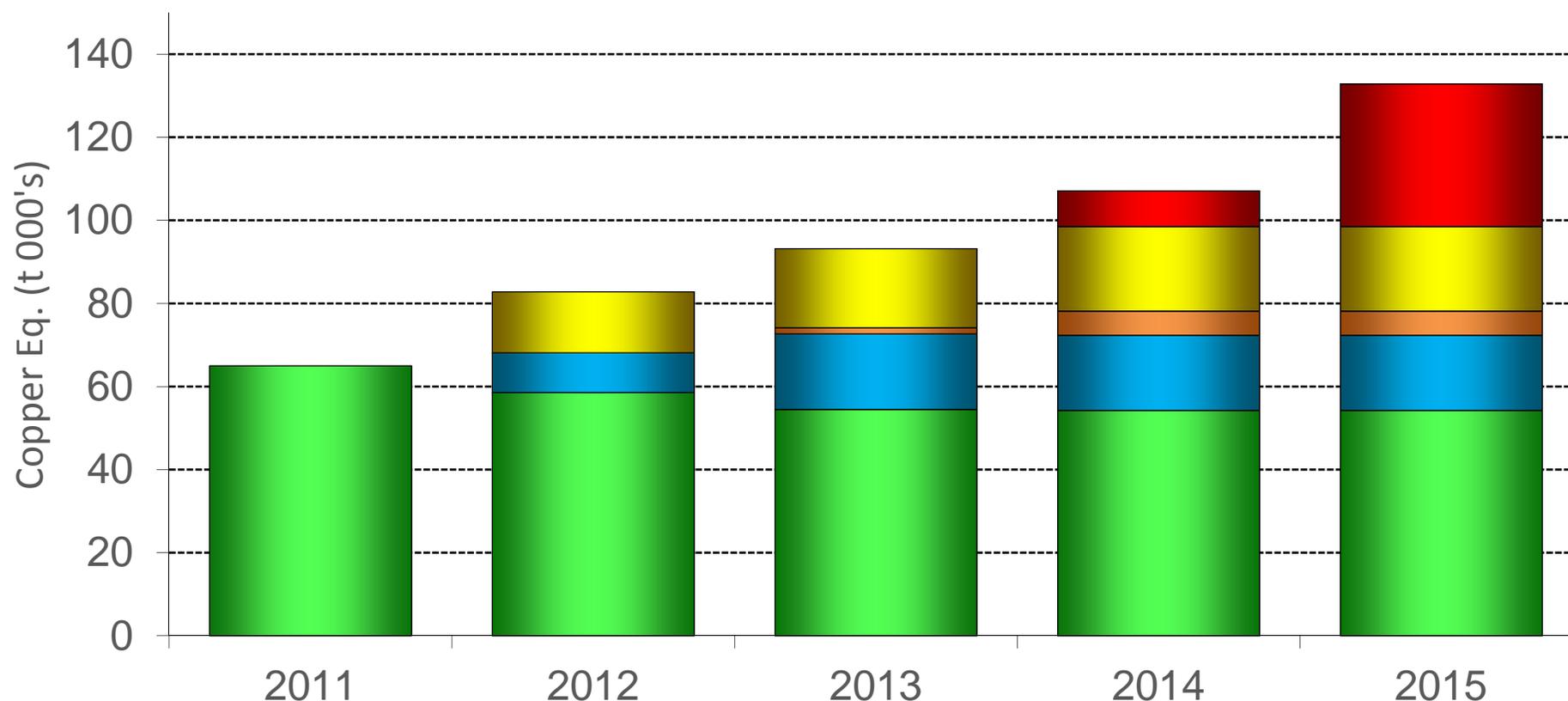
i: Cash cost guidance assumes gold and silver prices of US\$1,800/oz and US\$30/oz respectively.

li: Cash cost assumes a silver price of US\$30/oz.

Pipeline for growth: future projects competing for capital



- Phu Kham copper-gold
- Phu Kham Upgrade
- Phu Kham Increased Recovery Project
- Ban Houayxai
- Phonsavan / Nam San



Notes for chart:

Based on PanAust Limited share of production. Future projects are subject to feasibility study and project approvals.

Assumes implementation of the Phu Kham Upgrade from September quarter 2012 with a mid-point of the expanded annual copper production capacity range of 65kt-70kt.

Assumes implementation of the Phu Kham Increased Recovery Project from December quarter 2013 with an incremental annual production increase (100% equity basis) of 5,000t copper and 7,500oz gold.

Copper equivalent assumptions: copper US\$3.50/lb, gold US\$1,600/oz, silver US\$30/oz.



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Competent Person Statements

The data in this presentation that relate to Exploration Results are based on information reviewed by Mr Dan Brost who is a Member and Chartered Professional (Geology) of the Australasian Institute of Mining and Metallurgy. Mr Brost is a full time employee of PanAust Limited. Mr Brost has sufficient experience relevant to the styles of mineralisation and type of deposits under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code) . Mr Brost consents to the inclusion in this presentation of the Exploration Results in the form and context in which they appear.