



June Quarter 2014 Review*

15 July 2014



*This presentation should be read in conjunction with the June quarter 2014 activities report

Key points



Production:

- Consolidated June quarter 2014 production of 16,547t copper, 38,197oz gold and 266,358oz silver
- Copper and gold production for 2014 is expected to be at the upper end of guidance ranges

Safety:

- Two employees of a contract civil works company suffered fatal injuries at a remote site near the LCT deposit. One LTI at Ban Houayxai; lost time injury frequency rate on a 12-month rolling average basis at 30 June 2014 was 0.29 per million man-hours; the total recordable injury frequency rate was 1.24 per million man-hours

Corporate:

- Frieda River: the joint venture continued to advance PanAust's feasibility study work program; acquisition remains subject to a condition precedentⁱ
- Cash balance increased quarter-on-quarter to US\$129.3M

Data shown on a 100% equity basis.

ⁱ: Glencore satisfying the conditional approval given by the Ministry of Commerce, People's Republic of China to the merger between Glencore International plc and Xstrata plc. The sunset date for satisfaction of the condition precedent is 30 September 2014. However, PanAust and Glencore may agree to extend this date.

GRAM indicative proposal

- Confidential, non-binding, indicative and incomplete proposal received from the Company's largest shareholder GRAM to acquire all of the shares in the Company by way of an off-market takeover
- Initial cash consideration of A\$2.20/share raised to A\$2.30/share; Board of PanAust informed GRAM that the offer was materially below the level that the Board would be prepared to recommend to PanAust shareholders
- Data room established to allow GRAM and other interested parties to undertake due diligence
- No formal takeover offer has been received that is capable of acceptance by the Company's shareholders
- Stability of leadership: intention of the Board that there be no change to the position of Managing Director during the period the Company is in discussions (and any subsequent process that may arise) with GRAM or any other party

Phu Kham Operations



- Copper in concentrate production of 16,547t at an average C1 cash costⁱ of US\$1.36/lb copper; all-in sustaining costs were US\$2.46/lb copper
- Lower tonnes milled due to mill maintenance
- Record copper recovery rate and high gold recovery rate achieved as ore quality improved; further improvement in ore quality scheduled for the December half
- Revised LOM plan incorporating the KTL satellite deposit scheduled to lift copper and gold output from 2016
- At Phu Kham, access to ores with elevated gold grades will lift planned gold production for 2014 and 2015

ⁱ: Based on invoiced pricing for gold and silver.
Data shown on a 100% equity basis.



KTL satellite deposit



- Feasibility study work well advanced; plans to seek a development decision from the PanAust Board in August 2014
- Initial ore feed to Phu Kham from late 2015; ramp up through 2016 towards a rate of 1.5Mtpa
- Phu Kham annual copper production to rise to between 90,000t and 100,000t and gold production to between 90,000oz and 95,000oz until the end of the decade
- Environmental and Social Impact Assessment submitted to the Government of Laos in early July
- Early capital works will be focused on upgrading an existing road between Phonsavan and Phu Kham



Ban Houayxai Gold-Silver Operation

- Quarterly gold in doré production of 24,734oz at an average C1 cash costⁱ of US\$699/oz gold after silver credits
- All-in sustaining costsⁱ of US\$998/oz
- Gold production scheduled to rise and costs reduce during the December half
- Monthly record for total material mined achieved in May
- Processing rate equivalent to 4.3Mtpa despite low mill utilisation caused by unscheduled, seasonal shortage of grid power and crusher downtime



i: Based on invoiced pricing for silver.
Data shown on a 100% equity basis.

Frieda River Copper-Gold Project, PNG



- The agreed acquisition of an 80% interest in the Project remains subject to a condition precedentⁱ
- PanAust understands that the sale of Glencore's Las Bambas copper mine project will satisfy the conditional approval given by MOFCOM to the merger between Glencore and Xstrata, and clear the way for the sale of Glencore's interest in Frieda River to PanAust
- Glencore Xstrata has stated that it expects the sale of Las Bambas to be concluded prior to the end of the September quarter 2014
- The joint venture continued to advance PanAust's feasibility study work program



ⁱ: Glencore Xstrata satisfying the conditional approval given by the Ministry of Commerce, People's Republic of China (MOFCOM) to the merger between Glencore International plc and Xstrata plc. The sunset date for satisfaction of the condition precedent is 30 September 2014. However, PanAust and Glencore Xstrata may agree to extend this date.

Outlook



- On track to achieve the upper end of 2014 production guidance ranges for copper and gold of 65,000t to 70,000t copper in concentrate, and precious metal production in concentrate and doré of 160,000oz to 165,000oz gold, and approximately 1.2Moz silver
- Phu Kham: copper in concentrate production is expected to be at the upper of the guidance range of 65,000t to 70,000t at an average C1 cash cost of between US\$1.50/lb to US\$1.60/lb copper
- Ban Houayxai: gold production is expected to be approximately 100,000oz at an average C1 cash cost between US\$650/oz and US\$700/oz gold
- GRAM indicative proposal: the Company will continue to keep the market informed

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