

March Quarter 2014 Review*

29 April 2014



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

Highlights



- Strong production and cash cost performances continued at Phu Kham
- Consolidated March quarter 2014 production of 18,123t copper, 39,505oz gold and 283,644oz silver
- 2014 production and cost guidance unchanged
- Quarter end cash balance of US\$117.1M reflects seasonal effects; receipt of payment after quarter end for a late March concentrate shipment; and, a quarter-on-quarter build-up in finished product inventory
- Good safety performance: no lost time injury sustained during the quarter; lost time injury frequency rate on a 12-month rolling average basis at 31 March 2014 was 0.34 per million man-hours; the total recordable injury frequency rate was 1.83 per million man-hours

Phu Kham Operations

- Strong quarterly production and cost performance: copper in concentrate production of 18,123t at an average C1 cash costⁱ of US\$1.20/lb copper
- All-in sustaining costsⁱ were US\$2.07/lb copper
- Second successive quarter of records for material mined as scheduled material movements increased and exceeded budget
- Record for ore processed equivalent to nearly 21Mtpa; revisions to the crusher and conveyor operation have alleviated the crusher bottleneck
- Recovery rates reflected the high processing rates and mix of ore types processed



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

Ban Houayxai Gold-Silver Operation

- Quarterly gold in doré production of 23,356oz at an average C1 cash costⁱ of US\$711/oz gold after silver credits
- All-in sustaining costsⁱ of US\$979/oz
- Production and cost performances reflect establishment of a new bench mining sequence and scheduled lower gold head grades of ore processed
- Recovery rates reflected lower ore grades and the increased proportion of transitional and primary ores in the mill feed

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



KTL Copper-Gold Project

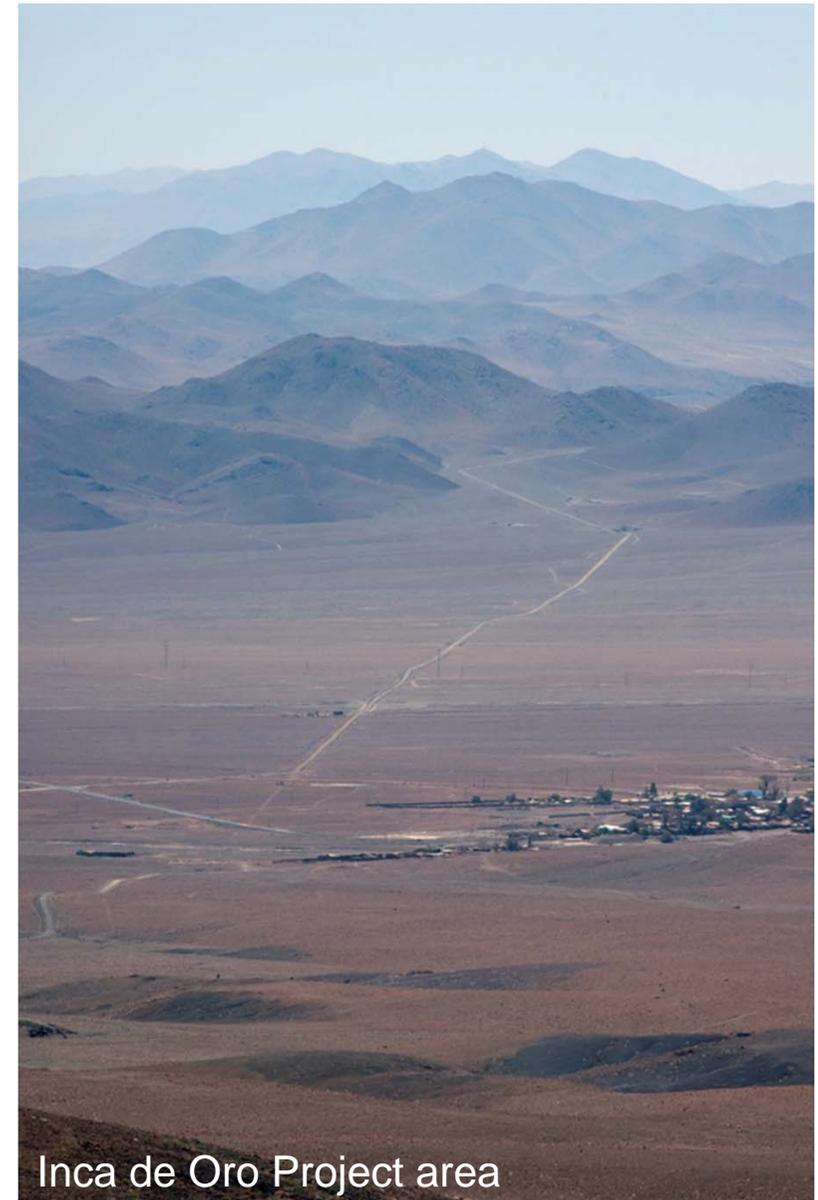


- Study work continued on the low-capital development option of operating KTL as a satellite open-pit to Phu Kham
- Crushed high-grade copper-gold ore to be trucked to Phu Kham for processing
- Will allow the full design capacity of the Phu Kham mills to be realised and provide options for further increases to copper and gold production at Phu Kham
- In February 2014 the inaugural KTL Ore Reserve was announced as a subset to the Phu Kham Ore Reserve



Inca de Oro and Carmen

- Inca de Oro (JV with Codelco, PanAust 60.45%); Carmen (PanAust 100%)
- Work continued on the integrated Inca de Oro-Carmen feasibility study
- The study is focussing on a higher-grade, 9Mtpa development approach which should enhance the economic return through a lower capital and operating cost structures
- Revised work plan adopted: submission of EIA report in mid-2014; finalise study once acceptable agreements have been reached on a number of commercial matters



Inca de Oro Project area

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
- During the quarter the joint venture continued to advance the PanAust's feasibility study work program



ⁱ: Includes 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, and the approval of the Investment Promotion Authority of Papua New Guinea. 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

- Well positioned to achieve full year production 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 in the 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

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