



# 2011 Financial Result\*

23 February 2012



\*This presentation should be read in conjunction with the following ASX announcements released by PanAust Limited on 23 February 2012: Appendix 4E and Statutory Financial Report 31 December 2011; Financial results for the 12-months to 31 December 2011

# Highlights

---

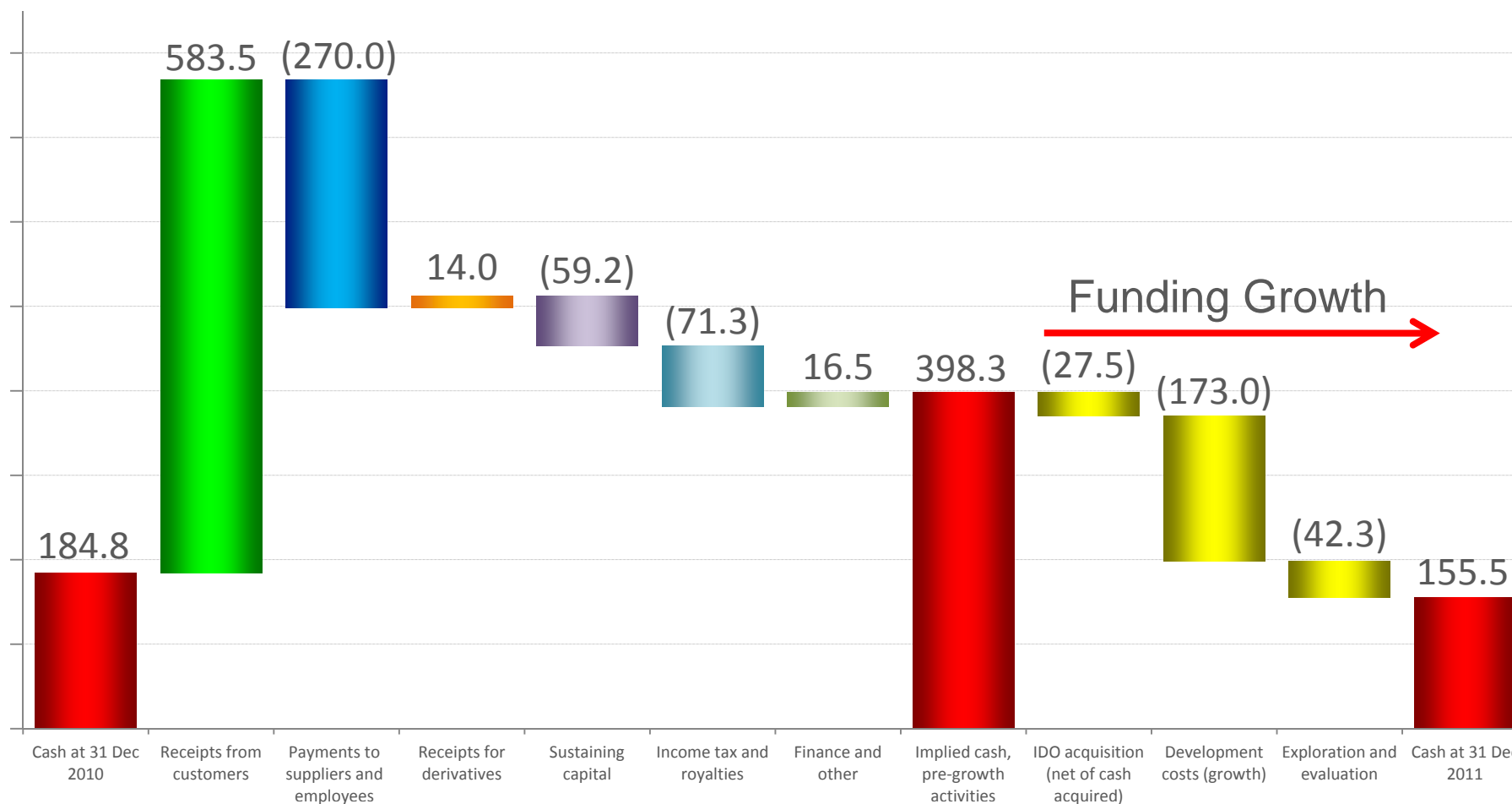
- Statutory consolidated net profit after tax (NPAT) of US\$146.6M
- Underlying NPAT<sup>1</sup> attributable to PanAust of US\$137.6M
- Net cash flow from operating activities of US\$239.1M
- Strong cash-flow supported the capital expenditure for the Ban Houayxai Gold-Silver Project, Phu Kham Copper-Gold Upgrade Project and exploration and evaluation; no non-lease debt was drawn down in 2011
- Cash at 31 December 2011 of US\$156M, debt of US\$45M (non-current), undrawn debt facilities of US\$55M, and mobile equipment lease facilities drawn down to a total of US\$64M

1: Underlying NPAT from ordinary activities, attributed to PanAust Limited excludes the effect of a non-recurring, non-cash share based payment expense of US\$5.5M relating to the acquisition of a majority interest in Inca de Oro S.A., which owns the Inca de Oro Copper-Gold Project in Chile. Refer to the table at the end of this presentation.

# Strong cash generation funding growth



US\$ millions

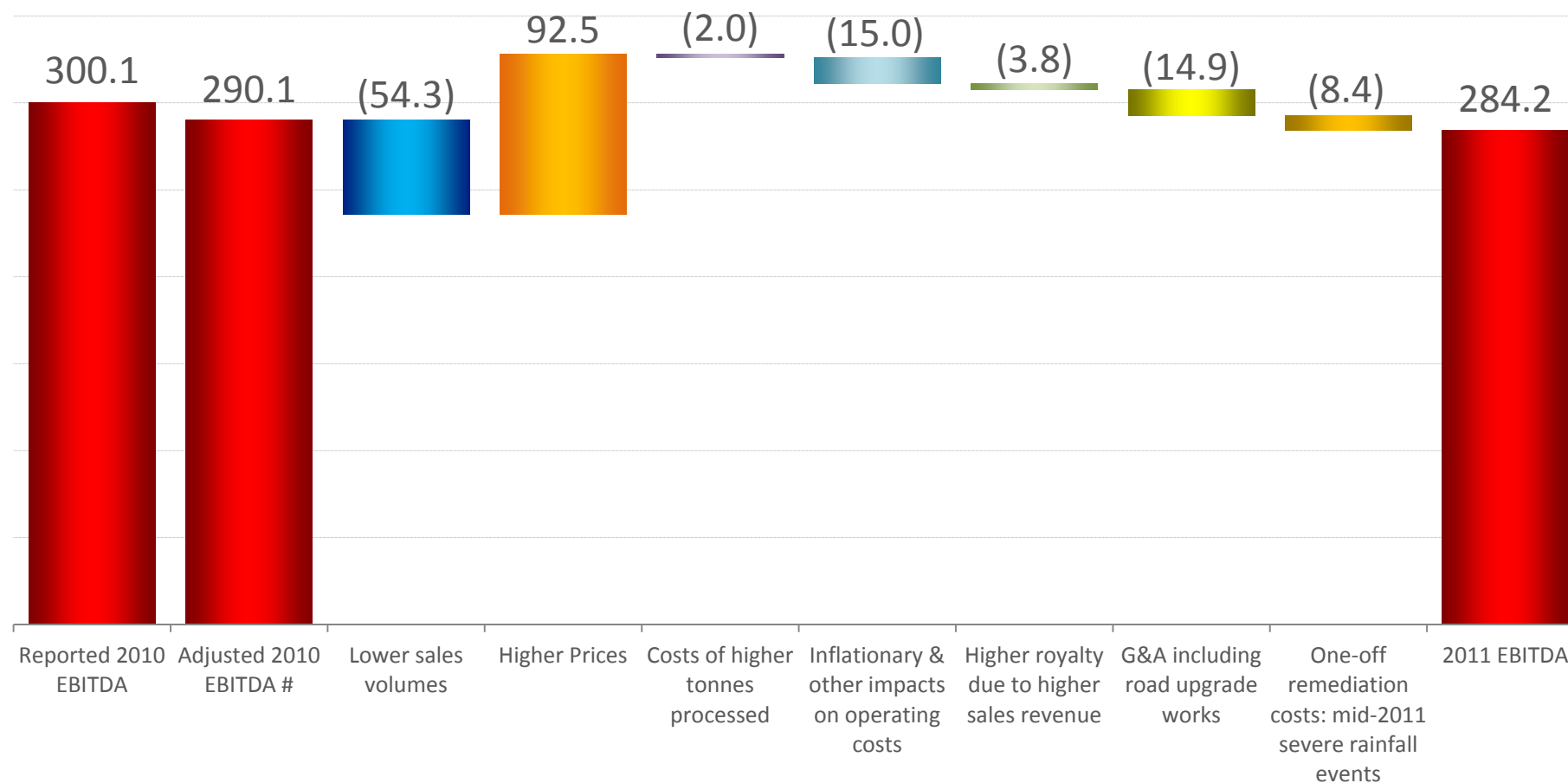


Group consolidated data

# EBITDA<sup>1</sup>



US\$ millions



1: Earnings before interest, taxes, depreciation and amortisation – net profit after tax excluding the effects of profit or loss items such as depreciation, amortisation and impairment, interest revenue expense and associated fees, equity-settled share-based payments and the effects of jurisdictional taxes. Refer to the reconciliation at the end of this presentation.

# For comparative purposes the 2010 EBITDA has been adjusted to take into account a change to hedge accounting introduced in 2011.

Group consolidated data

# Phu Kham Copper-Gold Operation

- Ended 2011 on a high with record production performances in December
- Phu Kham Upgrade: commissioning scheduled for the June quarter 2012 with ramp up to continue into the September quarter 2012
- 2012 production guidance: 63,000t to 65,000t of copper in concentrate at a C1 cash cost<sup>1</sup> of US\$1.05/lb to US\$1.15/lb after precious metal credits from 50,000oz to 55,000oz gold and 550,000oz to 600,000oz silver
- Increased Recovery Project to provide capital efficient production growth



1: Cash cost guidance assumes by-product credits based on average gold and silver prices for 2012 of US\$1,800/oz and US\$30/oz respectively.



# Phu Kham: Increased recovery project

- Increased recovery achieved through less selective rougher flotation together with increased regrind, cleaner flotation and concentrate handling capacity
- Annual copper and gold in concentrate to increase by approximately 5,000t and 7,500oz respectively
- Plant scale tests confirmed the concept
- Preliminary capital cost estimate US\$65M
- Low technical risk, rapid payback
- Fast track approach; targeting commissioning in Sept quarter 2013



# Ban Houayxai Gold-Silver Project

- Commissioning in progress; first gold production scheduled for March 2012
- 2012 production: approximately 85,000oz of gold at a cash cost<sup>1</sup> of US\$550/oz to US\$600/oz after a credit from approximately 200,000oz of silver
- Progressive increase in silver grades over first three years of operation is scheduled to lift the annual silver production to approximately 1Moz



Ban Houayxai, Feb 2012



1: Assumes a by-product credit based on an average silver price for 2012 of US\$30/oz.



# Outlook 2012

- 2012 EBITDA<sup>1</sup> between US\$340M and US\$400M assuming copper prices of between US\$3.50/lb and US\$4.00/lb
- Capital demands will substantially reduce through the June half 2012; cash-flow to increase as Ban Houayxai and Phu Kham Upgrade ramp-up
- Strong cash-flow to support growth strategy:
  - Phu Kham: increased recovery project
  - Inca de Oro feasibility study
  - Exploration and resource drilling at Nam San and LCT
  - Phonsavan scoping study

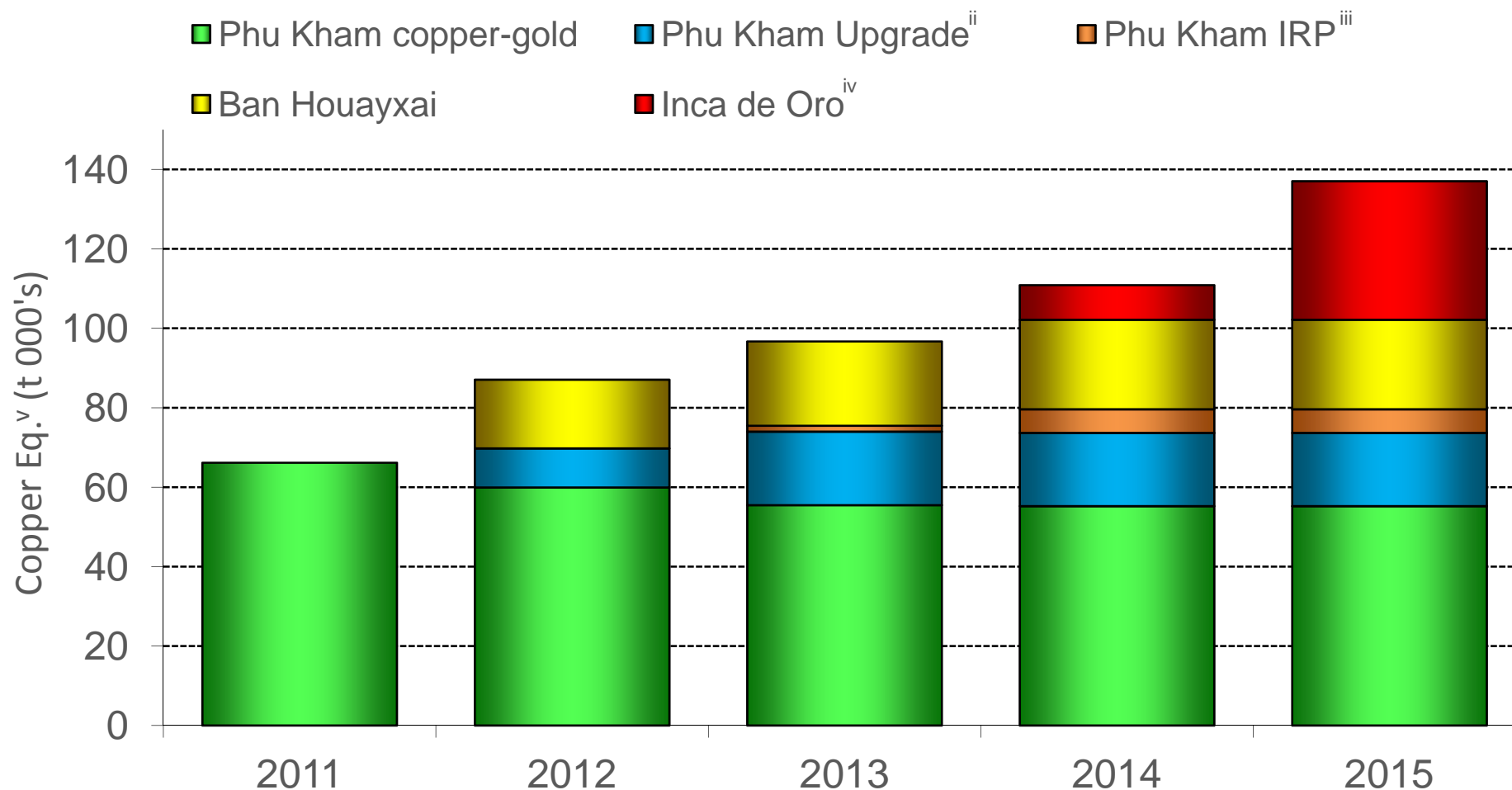
1: Based on mid-point of production guidance. Assumes gold and silver prices of US\$1,800/oz and US\$30/oz respectively.

Data shown on a 100% equity basis.





# Pipeline for growth: Projects (PanAust share<sup>i</sup>)



i: PanAust Limited share of production: 90% share of Phu Kham and Ban Houayxai, 59.4% share of Inca de Oro.

ii: Incorporates implementation of the Phu Kham Upgrade from July 2012 with a mid-point of the expanded annual copper production capacity range of 65kt-70kt.

iii: Incorporates implementation of the Phu Kham Increased Recovery Project (IRP) December quarter 2013 and assumes an annual production increase (100% equity basis) of 5,000t copper and 7,500oz gold.

iv: Subject to feasibility study and project approvals; assumes December half 2014 start-up and an average annual production rate of 50kt copper and 40koz gold.

v: Copper equivalent assumptions: copper US\$3.75/lb, gold US\$1,800/oz, silver US\$30/oz.

# EBITDA and EBIT reconciliation to NPAT



US\$M	2011	2010
<b>Earnings before interest, tax, depreciation and amortisation (EBITDA)</b>	<b>284.2</b>	<b>300.1</b>
Depreciation, amortisation and impairment	(59.5)	(54.3)
<b>Earnings before interest and tax (EBIT)</b>	<b>224.7</b>	<b>245.8</b>
Interest income	1.4	1.1
Interest expense and finance charges	(13.8)	(14.0)
Share based payment expense from acquisition	(5.5)	-
Put option premium expense	(3.0)	(16.9)
<b>Profit/(loss) before income tax</b>	<b>203.8</b>	<b>216.0</b>
Income tax expense	(57.3)	(55.9)
<b>Statutory consolidated net profit after tax (NPAT)</b>	<b>146.6</b>	<b>160.1</b>
<b>NPAT attributable to PanAust</b>	<b>132.1</b>	<b>143.4</b>
<b>Underlying NPAT<sup>1</sup> from ordinary activities attributable to PanAust</b>	<b>137.6</b>	<b>143.4</b>

1: Underlying NPAT from ordinary activities, attributed to PanAust Limited excludes the effect of a non-recurring, non-cash share based payment expense from acquisition of US\$5.5M relating to the acquisition of a majority interest in Inca de Oro S.A., which owns the Inca de Oro Copper-Gold Project in Chile.

Rounding of data in this table may cause minor computational discrepancies

# 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.