



20 February 2014



# Highlights (consolidated unless otherwise stated)

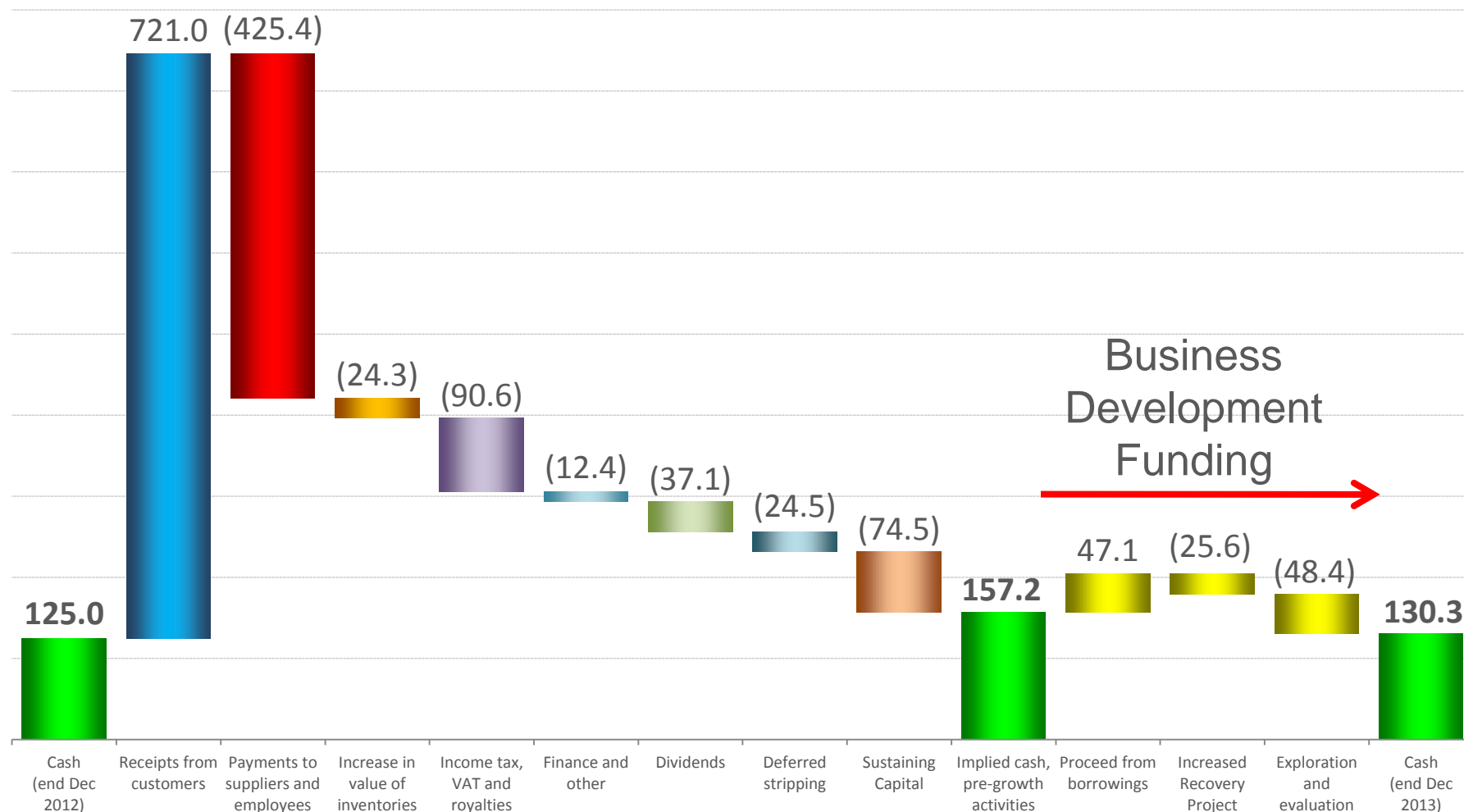


- Profit after income tax of US\$43.7M; after impairment of exploration assets totalling US\$50.9M
- Profit after income tax attributable to PanAust of US\$36.4M
- Earnings before interest, tax, depreciation and amortisation (EBITDA) of US\$272.5M, in line with guidance
- Adverse impact on profitability from lower commodity prices and scheduled processing of lower grade ores, higher D&A and impairment charges
- Net cash-flow from operating activities before tax of US\$217.0M
- Business transitioned to free cash positive during the December half with increased revenue from higher sales and lower cash outflow from investing activities following completion of the Increase Recovery Project
- Final dividend declared; A\$0.03 per share to be paid in April 2013

# Strong operating cash flow; development capital program completed



US\$ millions



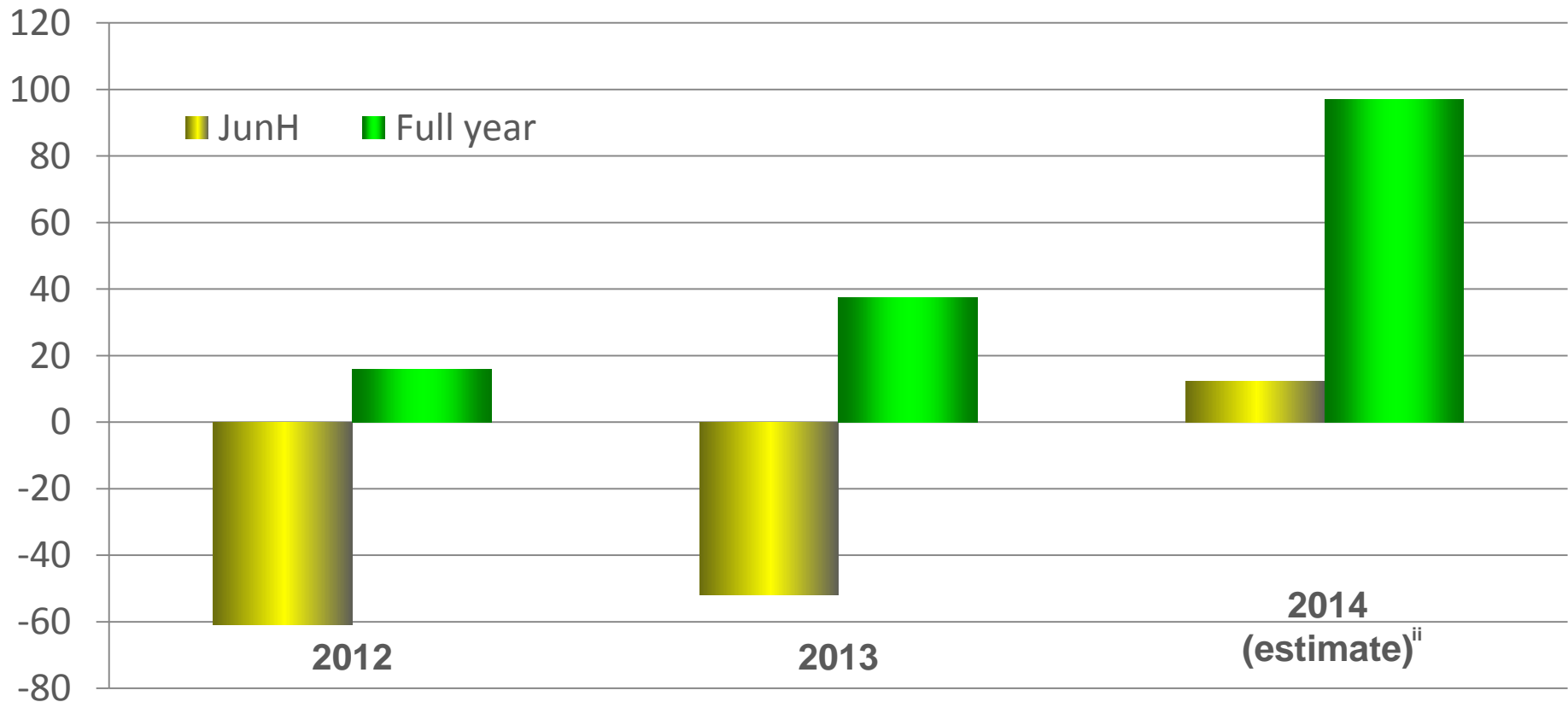
Group consolidated data

Rounding of data in this chart may cause minor computational discrepancies

# Improving Operational Free Cash Flow<sup>i</sup> (before exploration, evaluation and dividends)



US\$ millions



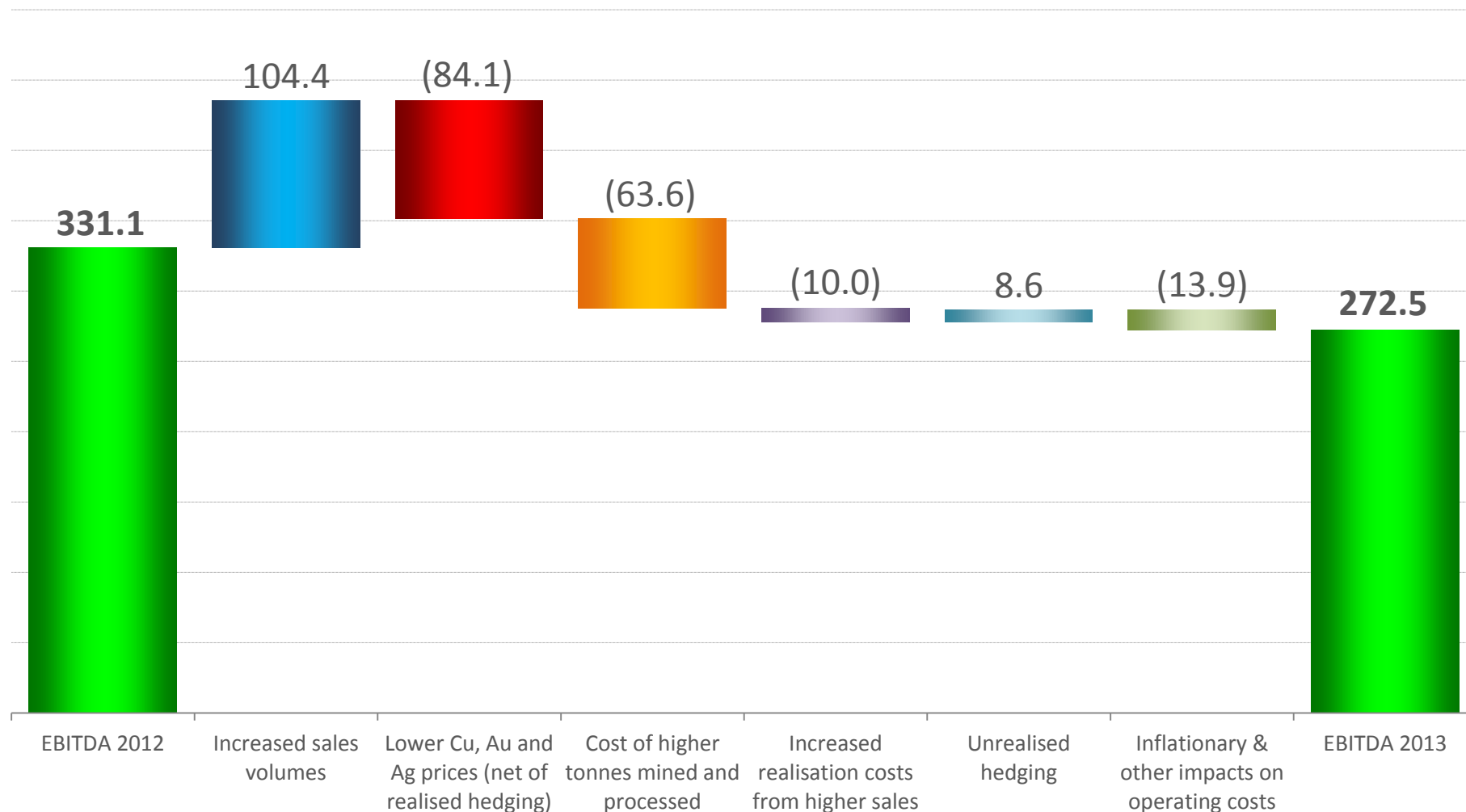
i: Operational Free Cash Flow = net cash flow from operations after: tax; sustaining and development capital expenditure; net lease draw downs and repayments; and, corporate support costs.

ii: Estimates assume average prices of US\$3.25/lb copper, US\$1,300/oz gold and US\$22/oz silver.

Group consolidated data

# Higher sales volumes; lower average prices

## EBITDA reconciliation, US\$ millions



Group consolidated data

Rounding of data in this chart may cause minor computational discrepancies

# Lao operations

- Sales revenue up 2%: higher sales volumes more than offset lower pay-metal prices
- First full year of the Phu Kham Copper-Gold Upgrade and Ban Houayxai Gold-Silver Projects; successful implementation of the Phu Kham Increased Recovery Project
- Phu Kham cash cost: US\$1.36/lb copper after precious metal credits; all-in sustaining cost of US\$2.37/lb
- Ban Houayxai cash cost: US\$611/oz after silver credit; all-in sustaining cost of US\$964/oz
- Sustaining capital expenditure is reducing



# Major development phase concluded

- Phu Kham mill operating at over 18Mtpa well above design throughput
- Phu Kham Increased Recovery Project: commissioned in June quarter 2013 US\$10M below the US\$45M capital budget; step change in copper and gold recoveries
- Record recovery performances during the December half; copper 74.9% (up from 71.1% for June half) and gold 50.3% (up from 40.9% for June half)
- Copper recoveries for 2014 are scheduled to range between 74% and 86% depending on ore quality
- Completion of major projects together with lower scheduled sustaining capital should enhance future cash flow



# Pre-development opportunities

- KTL Copper-Gold Project: a potential satellite open-pit to Phu Kham
- Phu Kham district: high priority target for exploration
- Inca de Oro Copper-Gold Project: joint venture to consider an analysis of options for project scale
- Frieda River Copper-Gold Project: share sale and purchase agreement to acquire an 80% interest, subject to a condition precedent; PanAust development concept provides opportunity to develop a world class deposit

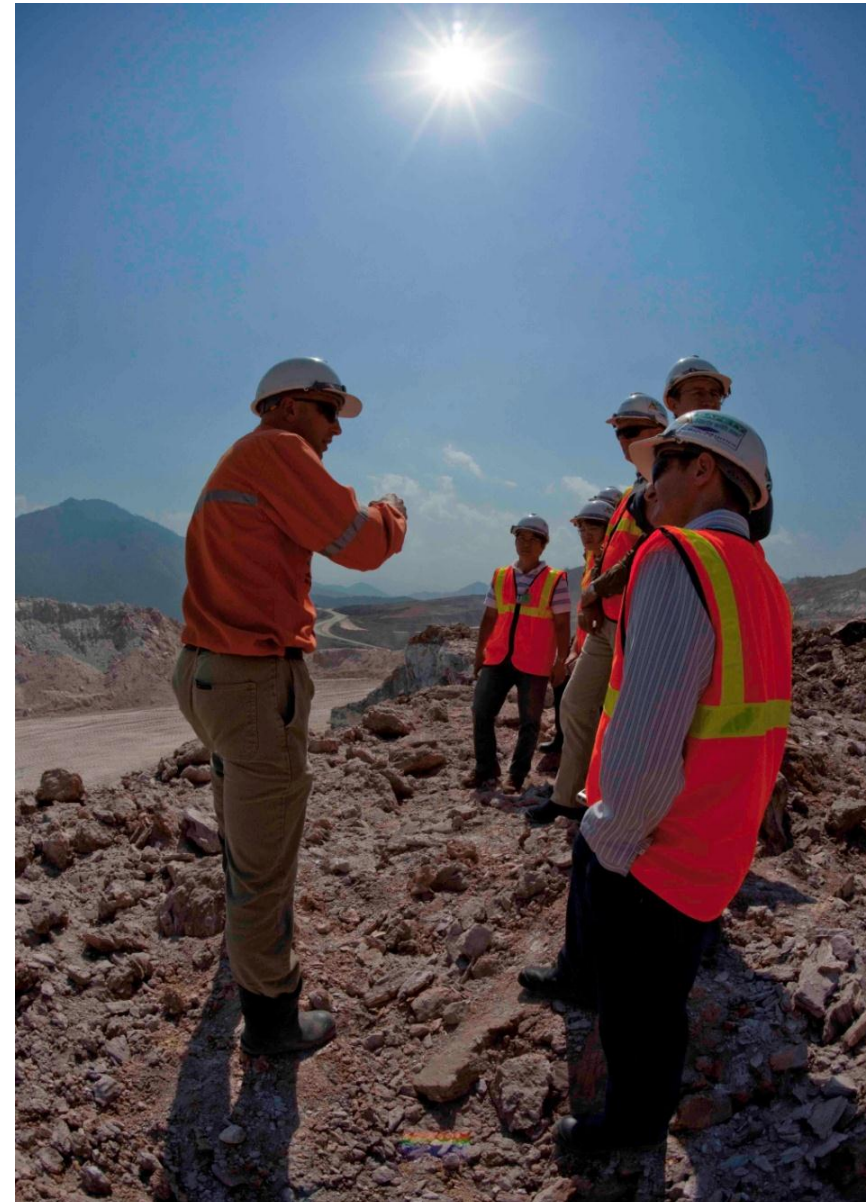


# Outlook for 2014

- Production:
  - 65,000t – 70,000t copper
  - 160,000oz - 165,000oz gold
  - Approx. 1.2Moz silver
- 2014 EBITDA<sup>1</sup> of US\$200M – US\$225M assuming a copper price of between US\$3.20/lb and US\$3.40/lb

1: Assumes average prices for 2014 of US\$1,300/oz gold and US\$22/oz silver.

Data shown on a 100% equity basis.



# EBITDA reconciliation to profit after income tax



US\$M	2013	2012
<b>Earnings before interest, tax, depreciation and amortisation (EBITDA)</b>	<b>272.5</b>	<b>331.1</b>
Interest expense (net of interest revenue) and finance charges	(21.5)	(16.6)
Put option premium expense	-	(1.9)
Depreciation and amortisation	(118.3)	(83.4)
Impairment (incl. exploration, Puthep Copper Project investment)	(50.9)	(5.0)
Generative exploration costs expensed	(1.9)	(1.8)
Provision for rehabilitation expensed	(3.5)	(6.0)
Share based payments	(5.8)	(4.4)
Change in fair value of investment in Highlands Pacific Limited	(1.2)	-
<b>Profit before income tax</b>	<b>69.4</b>	<b>211.9</b>
Income tax expense	(25.7)	(53.6)
<b>Profit after income tax</b>	<b>43.7</b>	<b>158.3</b>
<b>Profit after income tax attributable to PanAust</b>	<b>36.4</b>	<b>142.0</b>

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