



September Quarter 2010 Review*

26 October 2010



*This presentation should be read in conjunction with the September quarter 2010 activities report

Highlights



- Record quarterly copper and gold production
- Nearly 66,000t of copper produced over the last 12 months
- 2010 production guidance increased to approximately 65,000t copper, 55,000oz gold and 500,000oz silver
- Phu Kham upgrade project received PanAust Board approval in mid-October
- Ban Houayxai Gold-Silver Project 14% complete - new northern access road completed, final plant site earthworks and low-impact foundation works in progress
- Committed growth initiatives at Phu Kham and Ban Houayxai in Laos and planned acquisition and development of the Inca de Oro Project in Chile should see Group attributable production grow to approximately 100,000t copper, 200,000oz gold and over 1,000,000oz silver in 2014

Phu Kham Operations



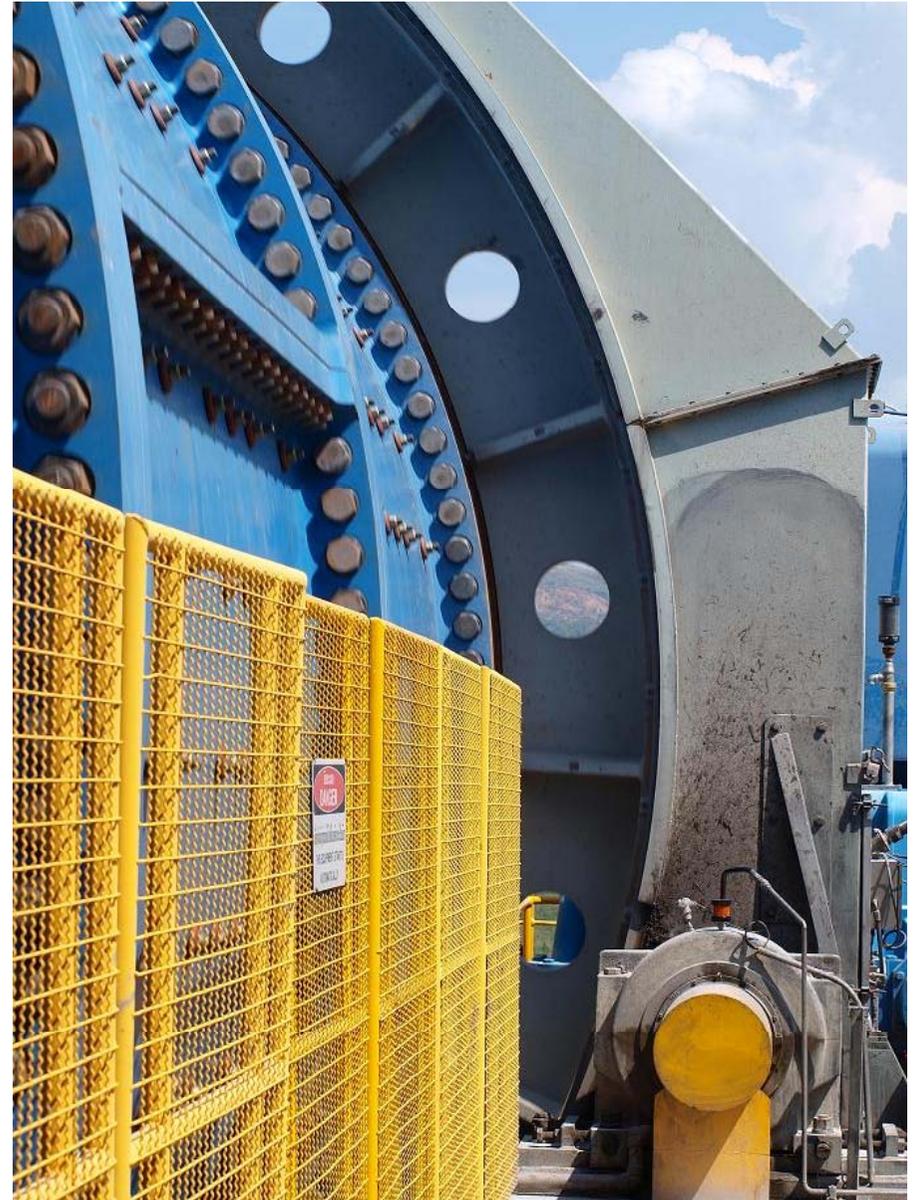
- Consistent strong operating performances continued
- 16,919t of copper at an average C1 cash cost of US\$1.01/lb copper after precious metal credits from 14,410oz gold and 134,068oz of silver
- 2010 production guidance increased to 65,000t copper at a C1 cash cost¹ of between US\$0.95/lb and US\$1.05/lb after precious metal credits from approximately 55,000oz gold and 500,000oz silver



1: After by-product credits, assuming gold and silver prices of US\$1,100/oz and US\$16.5/oz respectively and US\$0.85/litre diesel fuel cost

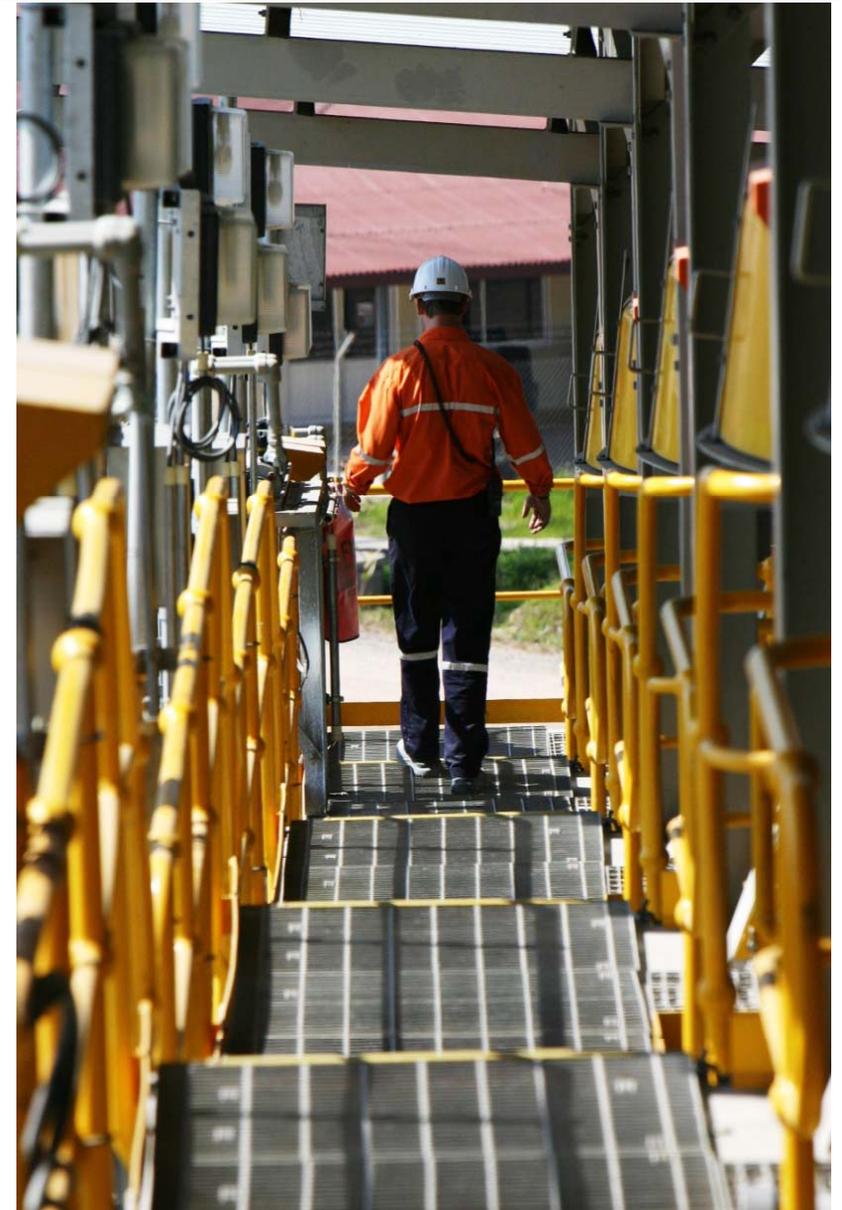
Increased Phu Kham production

- Phu Kham upgrade project approved in mid-October
- Mill processing rate to increase by 33% to a nominal 16Mtpa on primary ore; potential to process 17Mtpa of softer lower grade ore
- Copper production to increase to between 65,000tpa and 70,000tpa
- Scope significantly widened compared with original debottlenecking concept announced in 2008
- Capital cost, including contingency, of US\$110M



Phu Kham Upgrade

- Capacity will also be increased in the following areas:
 - Grinding power 26MW to 39MW allowing finer grind; and
 - Flotation 50%
- Collectively deliver 2% absolute improvement in recovery
- New mill and flotation circuit will reduce tie-ins to the existing plant thereby improves safety and reducing continuity risk
- Current Ore Reserve supports a mine life of +10 years
- Paves the way for further expansion capability



Ban Houayxai Gold-Silver Project



- Project 14% complete (end Sept 2010)
- Expenditure and commitments totalled approximately US\$43M out of a total capital of US\$150M
- New northern access road completed; final plant site earthworks and foundation works in progress
- Initial commissioning scheduled for late 2011 with steady state production reached during the March quarter 2012
- Positive results from resource extension and infill drilling



Outlook

- Strong mine and milling performances are expected to continue
- Phu Kham on track to achieve production for 2010 of:
 - Copper 65,000t
 - Gold 55,000oz
 - Silver 500,000oz
 - C1 cash cost¹ US\$0.95/lb to US\$1.05/lb
- 2010 EBITDA guidance² increased to approximately US\$260M
- Inca de Oro acquisition: PanAust understands that the government process for the Presidential decree is well advanced.

1: After by-product credits, assuming gold and silver prices of US\$1,100/oz and US\$16.5/oz respectively and US\$0.85/litre diesel fuel cost.

2: Earnings before Interest, Tax, Depreciation and Amortisation. Assumes an average copper price for the December quarter 2010 of US\$3.75/lb

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