



PanAust Ltd: sustainable mining in South East Asia

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PanAust: growth through development



- PanAust Ltd has developed significant presence in mainland South East Asia
 - Phu Kham operation producing 65,000tpa copper
 - Ban Houayxai gold-silver project: proceeding to development
 - Phonsavan copper-gold project: to deliver maiden resource in 2011
 - Puthep copper project: potential for a 25,000tpa copper project



Phu Kham copper-gold project



- 2010 production approx 65,000t copper, 50,000oz of gold and over 400,000oz of silver
- 2010 Phu Kham Ore Reserve increased by 17%; potential for further increase
- EBITDA for 2010 (guidance) - US\$260M based on \$3.75/lb for 4th quarter.
- Strong balance sheet to support growth strategy; gearing ~12% at 31 Aug 2010



Ban Houayxai gold-silver project



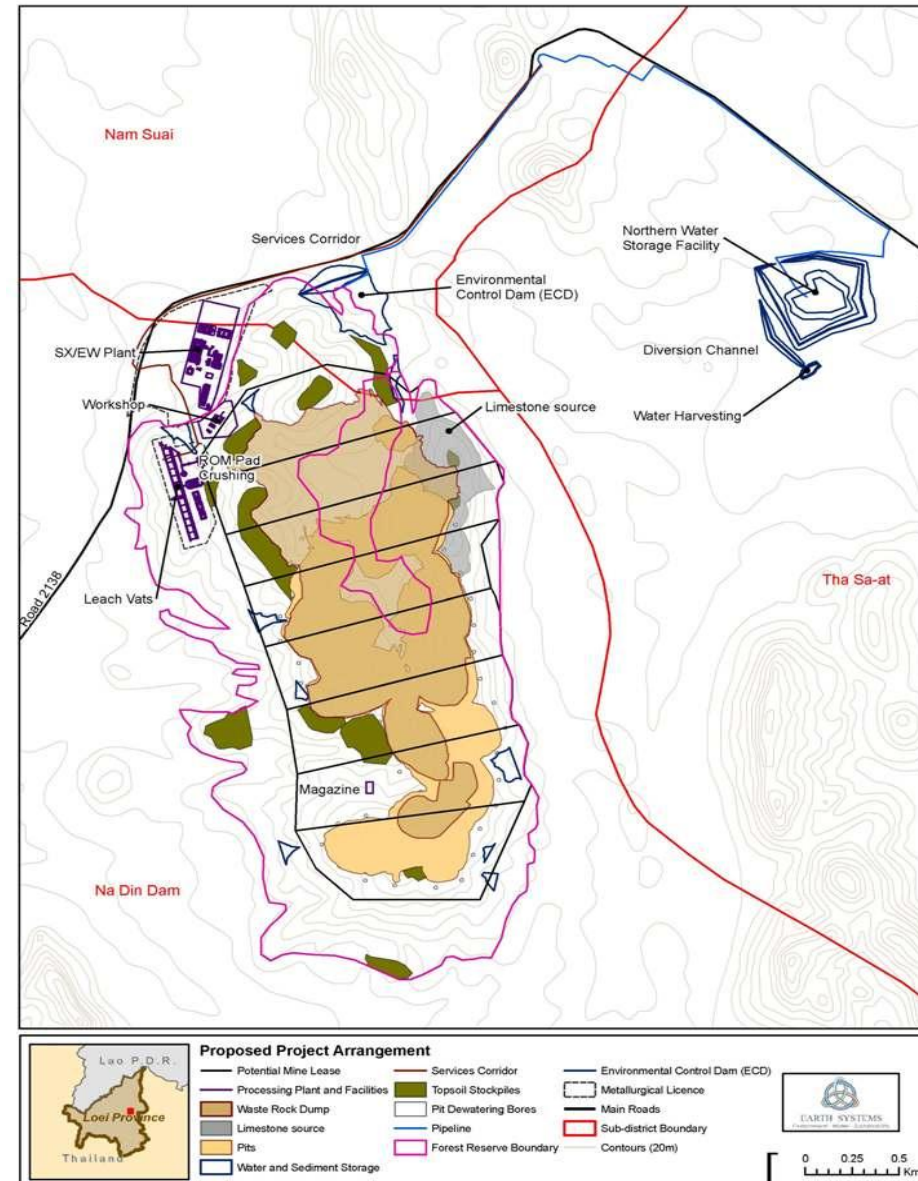
- Open pit gold mine with conventional 4Mtpa CIL plant
- 100,000oz of gold and 700,000oz of silver pa over an 8-10 year mine life from 2012
- Cash cost of between US\$400/oz and US\$450/oz after silver credits¹
- Construction scheduled for completion in early 2012
- Total estimated capital cost of US\$150m



Puthep copper project

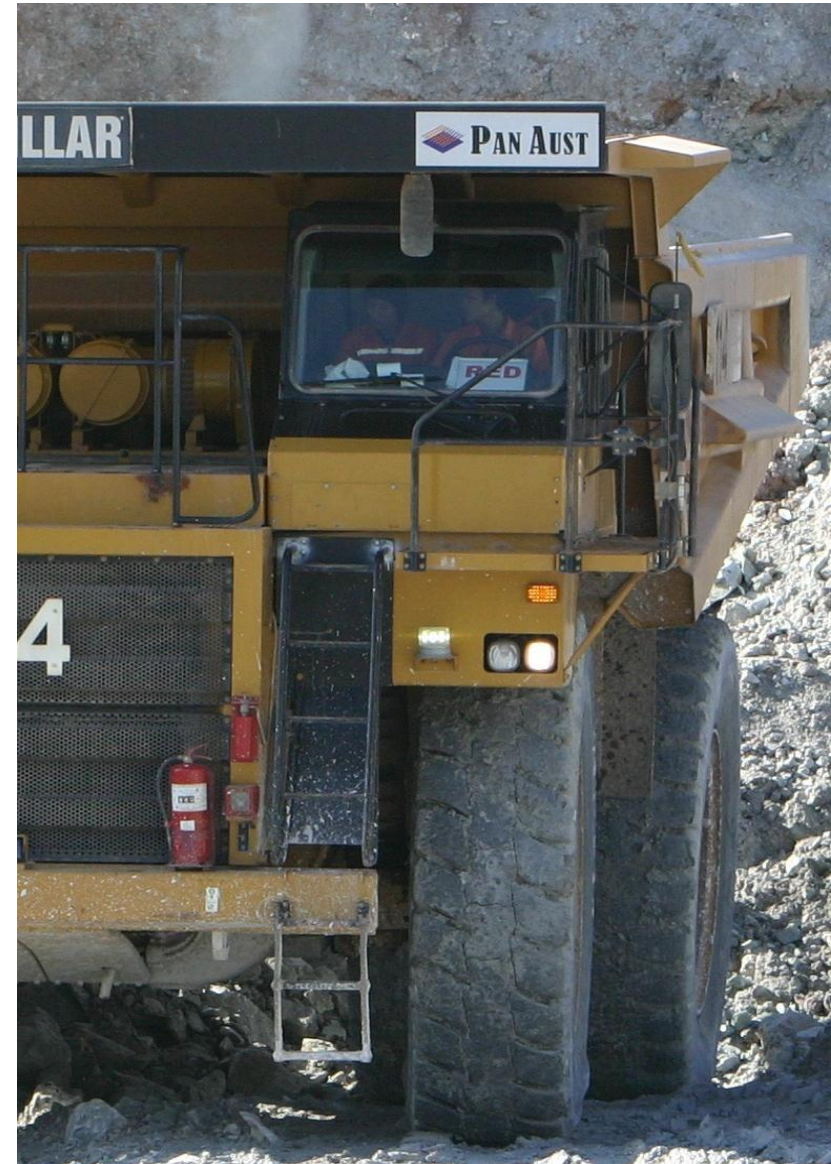


- Open pit copper mine with conventional vat leach and SX/EW cathode production
- Expected production of 25,000 tonnes copper cathode over an 8 year mine life
- ESIA currently underway, first public forum January 2011
- Feasibility study expected to be completed in 2011
- Mine lease applications to be lodged 2011



Lao Context

- Least developed country status
- Legacy of past conflict (e.g. UXO)
- Low skill base and limited capacity of educational institutions
- Largely subsistence agriculture
- Economy and culture in transition
- Mining and hydro sectors main drivers for economic growth
- Cultural/societal/political doubts about (foreign) mining projects



Thai Context

- Middle developing country status
- Sophisticated, diverse economy
- Good skills and education levels
- Political uncertainty, s.67 issues
- Mining sector small, with mixed performance
- Active community and NGO interest in extractive projects
- Cultural/societal/political doubts about (foreign) mining projects



Sustainability & mining



- Incorporating principles of sustainable development
 - and applying these in a mainland South East Asia context
- On-site management for sustainability includes:
 - Safety, employment, training
 - Noise and dust, hazardous materials
 - Acid rock drainage and water management
 - Mine closure and rehabilitation
- Off-site management for sustainability includes:
 - Community engagement and development
 - Public understanding and acceptance
 - Government permitting and approvals
 - Returns to the state through taxes and royalties

Governance

- Signatory to Minerals Council of Australia “Enduring Value”
 - Respect for cultures, customs, values
 - Application of best practices standards
- Board level sustainability committee
 - Ensuring effective measures, systems and controls
 - Reporting in accordance with international standards
- Risk management approach
 - Robust systems, risk registers
- Audits and benchmarks (IFC, socio-economic and health surveys etc)



Responsibilities to the environment

- Operating in monsoonal climates
 - rainfall exceeds evaporation by 50 percent
- Phu Kham tailings storage facility
 - industry best-practice
 - waste rock managed on potential acid forming (PAF)
 - >4% sulphur is disposed of underwater in TSF
 - sulphur grades are strictly controlled



Ban Houayxai: cyanide management



PanAust is a member of the international cyanide code

- international voluntary code for the gold mining industry
- developed by the UN Environment Program and the industry
- administered by International Cyanide Management Institute
- Governs production, transport, handling & storage, use, decommissioning, safety, emergency response, training and dialogue & consultation with affected stakeholders
 - compulsory, independent audits to ensure compliance
 - audit results available to the public
- Ban Houayxai has been designed, is being constructed and will be operated to cyanide code requirements as a minimum

Responsibilities to communities

- Community Development Fund (CDF) structure to community programs
- Village Development Committee – local ownership of CDF activities in:
 - Health
 - Micro-finance
 - Education
 - Infrastructure
 - Water and Sanitation
- “*Best Community Development Initiative*” at 2010 Asia Mining Congress
- Grievance and incident management



Around 40% of food requirements for the Phu Kham camp is sourced locally



Classroom sessions – market gardening and fish farming

Responsibilities to employees

- Approximately 1,600 employees in Laos; ~85% are nationals
- Zero harm safety objective
 - Including with local contractors
- Local employment preferences
- Investment in training and skills
- Succession planning for current and future needs

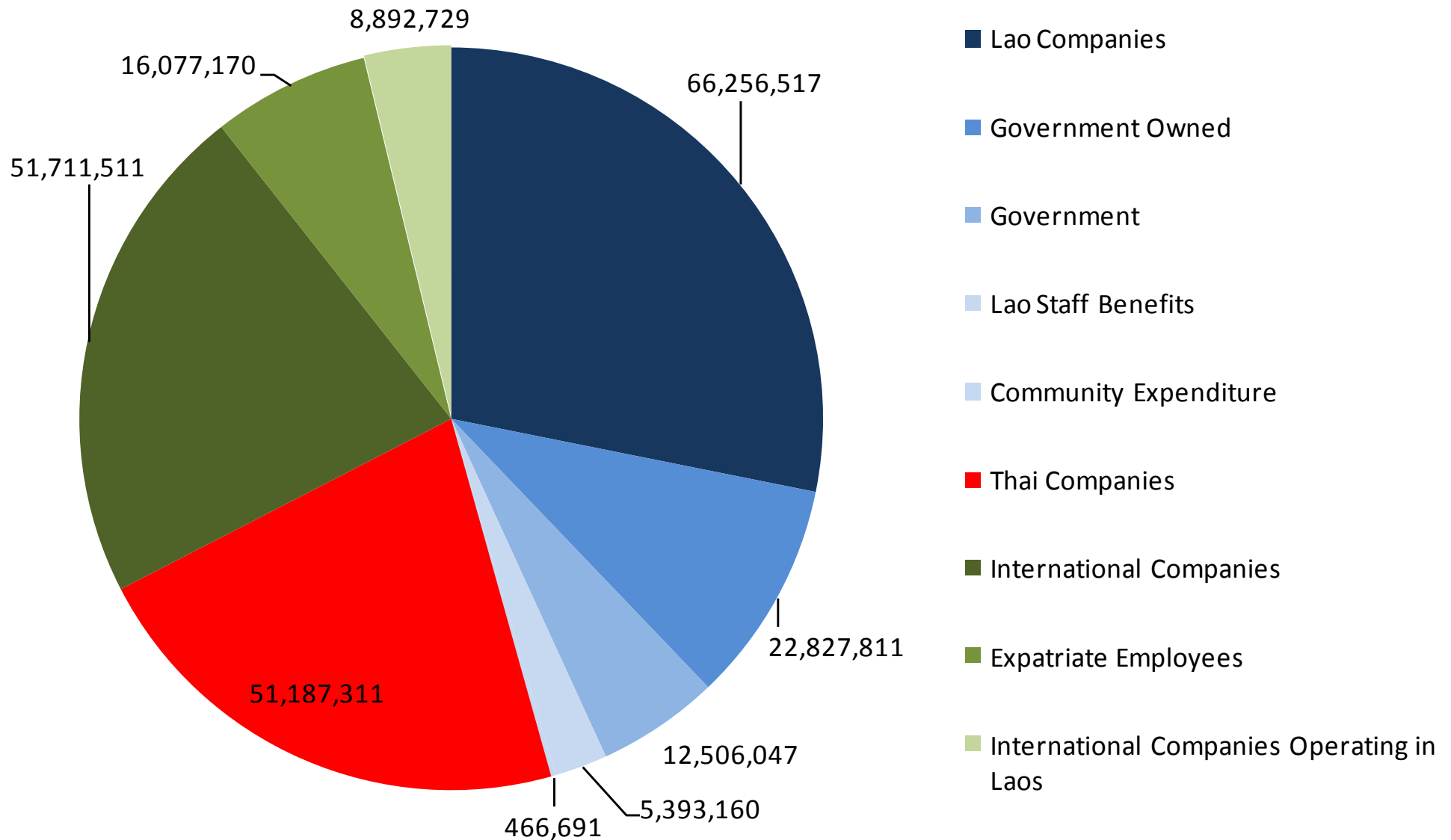


Responsibilities to government

- Royalty regime of between 3 and 6 percent (US\$30m to date)
- Profit tax regime of 25 percent (to commence 2010)
- Use of local contractors for goods and services available in Laos
- Integration of environmental, social, health and other accountabilities
- Building a structured, predictable and sustained relationship



OpEx in Laos 2009: US\$235 m



Respect & Integrity

- Employee health and safety
- An internal culture of environmental and social awareness
- Zero Harm safety objectives
- Best practice environmental and social performance
- Treating employees consistently and fairly.
- Integrity in relationships with communities, governments, suppliers and shareholders

