

PHU KHAM COPPER-GOLD OPERATION, LAOS



The Phu Kham Copper-Gold Operation is PanAust's flagship operation. The significant cash flow it generates has supported PanAust's growth while contributing to a strong balance sheet.

Phu Kham is located within the Phu Bia Mining Contract Area in Laos approximately 140 kilometres from the capital city, Vientiane.

The Operation comprises an open-pit mine feeding ore to a process plant with recovery of copper and precious metals into a saleable concentrate using conventional flotation technology. The concentrate contains between 23 and 25 per cent copper, up to 9 grams per tonne (g/t) gold and up to 60g/t silver. Eighty per cent of concentrate is trucked in covered containers to the ports of Vung Ang or Hon La in Vietnam (each approximately 650 kilometres from Phu Kham) and the remaining 20 per cent to Sriracha Harbour in the south of Thailand (approximately 1,000 kilometres from Phu Kham) for export to customer smelters mainly in Asia.

2015 PRODUCTION

Excellent production and cost performances were achieved at Phu Kham in 2015 with record annual copper in concentrate production of 78,449t (2014: 71,155t).

The 2015 C1 cost after precious metal credits was US\$1.30/lb copper and all-in sustaining cost was US\$1.69/lb copper (2014: \$1.39/lb copper and US\$2.21/lb copper respectively).

A record total of 55.8 million tonnes (Mt) of material was mined during the year (2014: 52.3 million) as the Operation continued with an anticipated period of peak material movement.

A total of 17.8Mt of copper-gold ore was mined giving an average waste to ore strip ratio for the year of 2.1 to 1 (2014: 1.9 to 1).

The PKM plant set new records for availability, operating time and throughput rates in 2015 compared to all previous years. In 2015, the plant milled 19.2Mt relative to a design throughput rate of 16 million tonnes per annum (Mtpa).

Sales of concentrate for the year totalled 343,195 dry metric tonnes (dmt) with a pay-metal content of 76,971t of copper; 100,022oz of gold and 476,799oz of silver (2014: 312,587dmt; 68,122t; 64,088oz and 366,149oz respectively).

PHU KHAM GROWTH

Annual copper in concentrate production at Phu Kham is expected to continue to rise steadily over the next several years as the average copper head grade increases and improving ore quality lead to further gains in metallurgical recovery rates. The annual production of copper in concentrate is expected to peak in 2018 and 2019 between approximately 85,000t to 90,000t before subsequently declining with ore grade. Gold in concentrate is expected to generally range between 70,000oz and 80,000oz per annum from 2016 onwards. No further development capital is currently expected for this targeted growth.

The Phu Kham Ore Reserve supports a mine life of approximately five years from the end of 2015.

For more information, visit www.panaust.com.au.

Photo captions: (L-R)

The process plant at PanAust's Phu Kham Copper-Gold Operation

A map of PanAust's Phu Bia Contract Area in Laos; Phu Kham is in the south of the Contract Area