



# 2014 Financial Result\*

19 February 2015



\*This presentation should be read in conjunction with the following ASX announcements released by PanAust Limited on 19 February 2015: Appendix 4E and Statutory Financial Report 31 December 2014; Financial results for the 12-months to 31 December 2014

## Summary (consolidated basis unless otherwise stated)

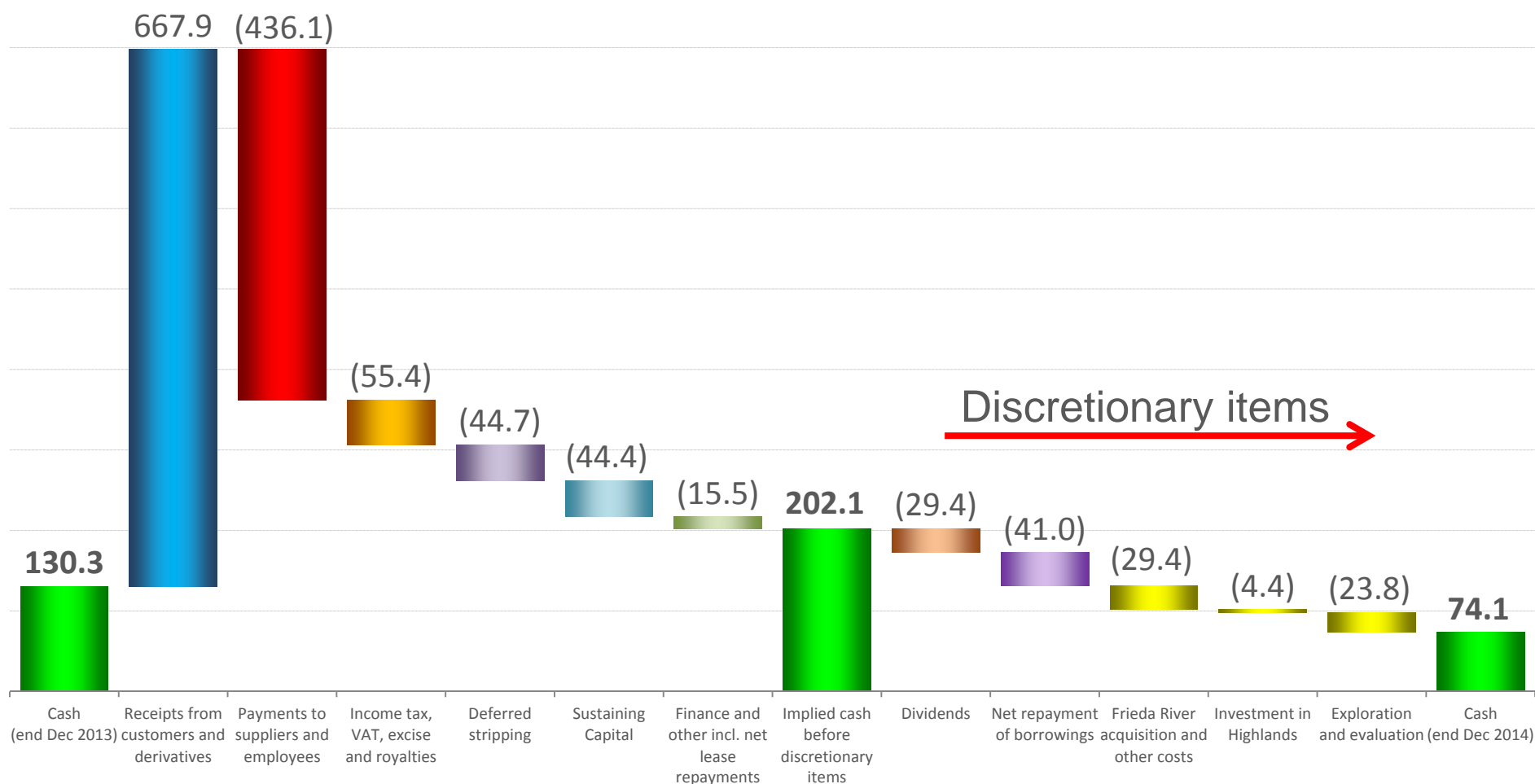
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- Loss after income tax of US\$221.4M included impairments totalling US\$264.7M; loss attributable to PanAust of US\$178.1M
- Record annual copper and silver production and sales: output of copper, gold and silver, and cost performance at Phu Kham beat annual guidance
- Revenue from sales of US\$679M reflected materially lower pay-metal prices and lower gold sales
- Adjusted earnings before interest, tax, depreciation and amortisation (Adjusted EBITDA) of US\$194.2M in line with guidance when adjusted for realised prices
- Balance sheet net-gearing remains modest at 12.3%
- Total dividends declared for the year were A\$0.03 per share; no final dividend declared
- Combined operating and capital cost savings for 2015 in excess of US\$50M identified

# Strong cash flow from operating activities



US\$ millions

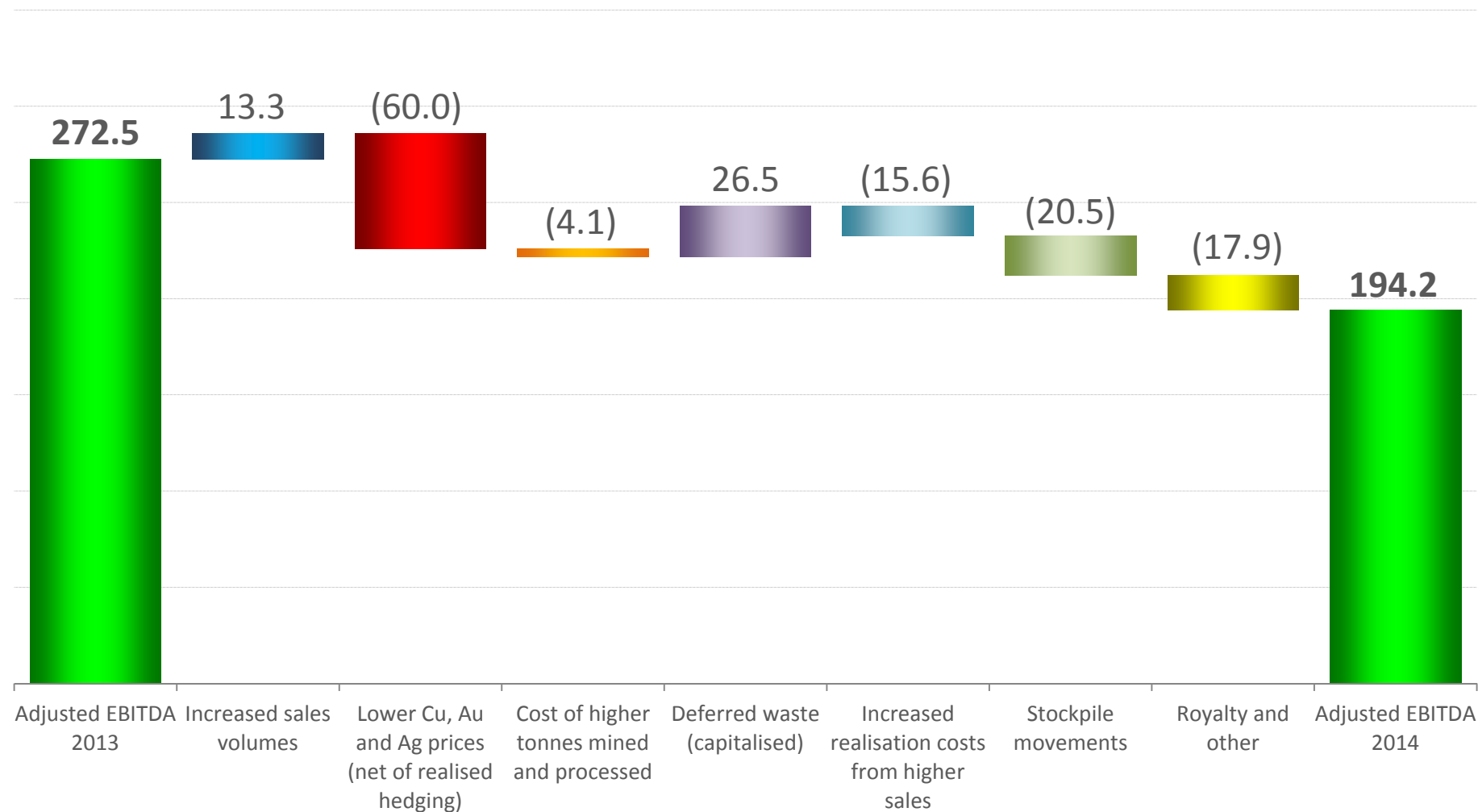


Group consolidated data

Rounding of data in this chart may cause minor computational discrepancies

# Higher sales volumes; lower realised prices

## Adjusted EBITDA reconciliation, US\$ millions



Group consolidated data

Rounding of data in this chart may cause minor computational discrepancies

## Lao operations



- Record copper and silver production and sales; beat 2014 production guidance for copper, gold and silver
- Sales revenue down: higher copper and silver sales more than offset by materially lower pay-metal prices for all commodities sold, and lower gold production and sales
- Phu Kham C1 cost beat guidance at US\$1.39/lb copper after precious metal credits; all-in sustaining cost lower at US\$2.21/lb
- Ban Houayxai C1 cost: US\$737/oz after silver credit; all-in sustaining cost marginally higher at US\$987/oz



# Frieda River Copper-Gold Project

- Acquisition of an 80% interest in the Project completed in August 2014
- Planned to provide production growth over the next five to ten years and to sustain the business in the longer term
- Mid-sized starter project planned to mine and process near surface higher grade core of the deposit
- Study concept: initial 20-year mine life with average production of 125,000t copper and 200,000oz gold; higher production in the first five years on softer mineralisation
- Implied mill feed inventory less than 30% of currently identified HIT Mineral Resource
- Feasibility study expected to be completed in late 2015

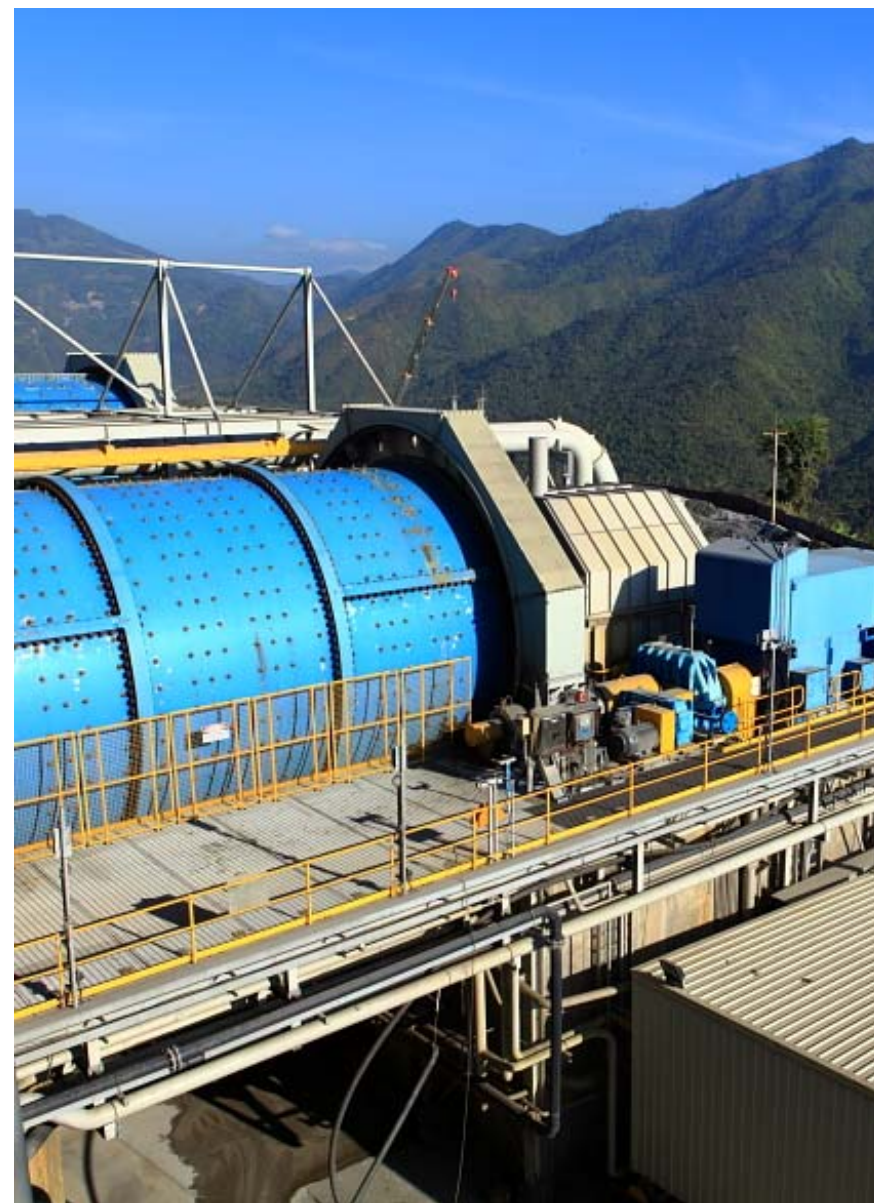


## Outlook for 2015



- Clear strategy: maximise returns from producing assets while advancing the Frieda River Project study
- Business efficiency review commenced in November 2014 already reflected in operating and capital cost savings of US\$50M
- Well positioned to be competitive throughout the commodity price cycle
- 2015 production:
  - 73,000t – 76,000t copper
  - 175,000oz – 183,000oz gold
  - 1.2Moz – 1.4Moz silver
- Phu Kham copper to progressively increase to a peak at around 90,000tpa in 2018 and 2019; no further development capital needed

Data shown on a 100% equity basis.



## Adjusted EBITDA reconciliation to profit after income tax



| US\$M  | 2014           | 2013         |
|--|----------------|--------------|
| <b>Adjusted Earnings before interest, tax, depreciation and amortisation<br/>(Adjusted EBITDA)</b> | <b>194.2</b>   | <b>272.5</b> |
| Interest expense (net of interest revenue) and finance charges                                     | (20.7)         | (21.5)       |
| Depreciation and amortisation  | (129.1)        | (118.3)      |
| Impairments  | (264.7)        | (50.9)       |
| Retrenchments  | (4.2)          | -            |
| Generative exploration costs expensed  | (1.7)          | (1.9)        |
| Provision for rehabilitation expensed  | (1.2)          | (3.5)        |
| Share based payments   | (6.7)          | (5.8)        |
| Change in fair value of investment in Highlands Pacific Limited                                    | (1.9)          | (1.2)        |
| <b>Profit / (loss) before income tax</b>   | <b>(236.0)</b> | <b>69.4</b>  |
| Income tax benefit / (expense)   | 14.6           | (25.7)       |
| <b>Profit / (loss) after income tax</b>  | <b>(221.4)</b> | <b>43.7</b>  |
| <b>Profit / (loss) after income tax attributable to PanAust</b>                                    | <b>(178.1)</b> | <b>36.4</b>  |



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