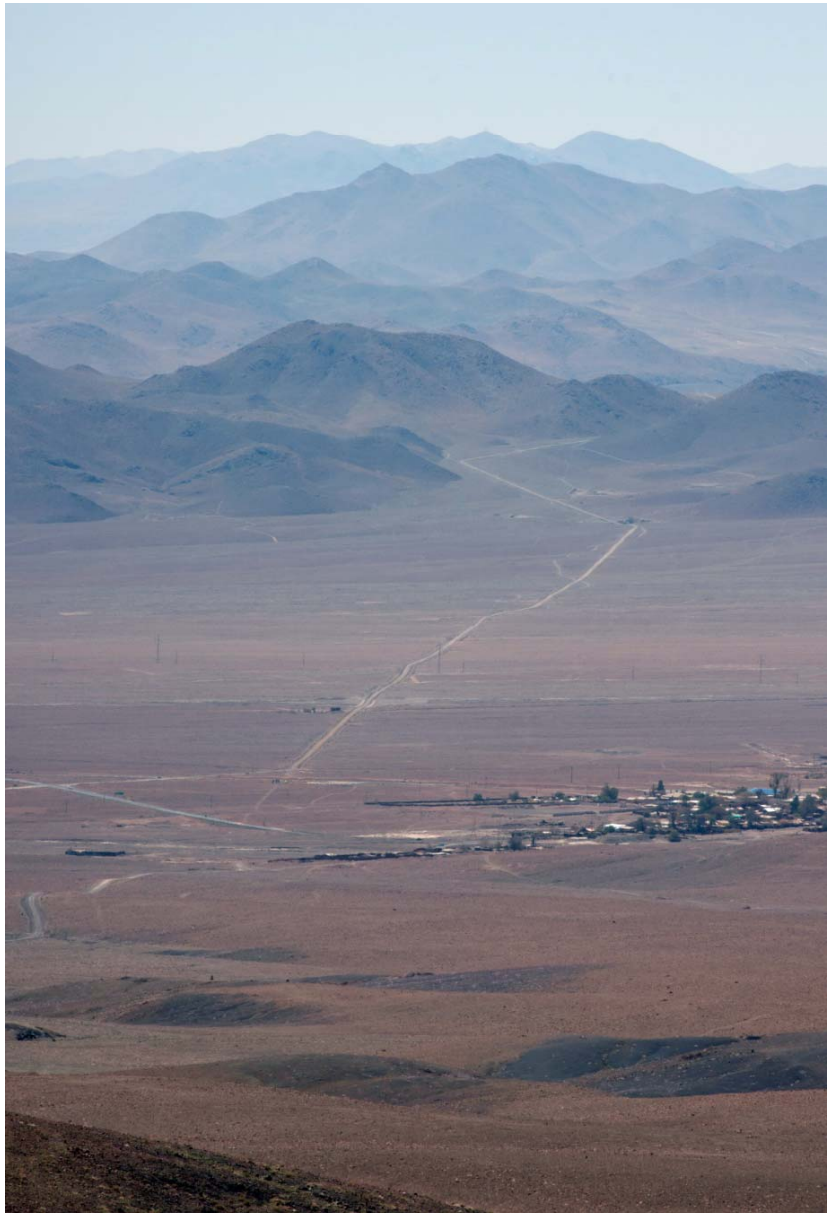
Inca de Oro Copper-Gold Project, Chile

Analyst site visit, 8-10 June 2011

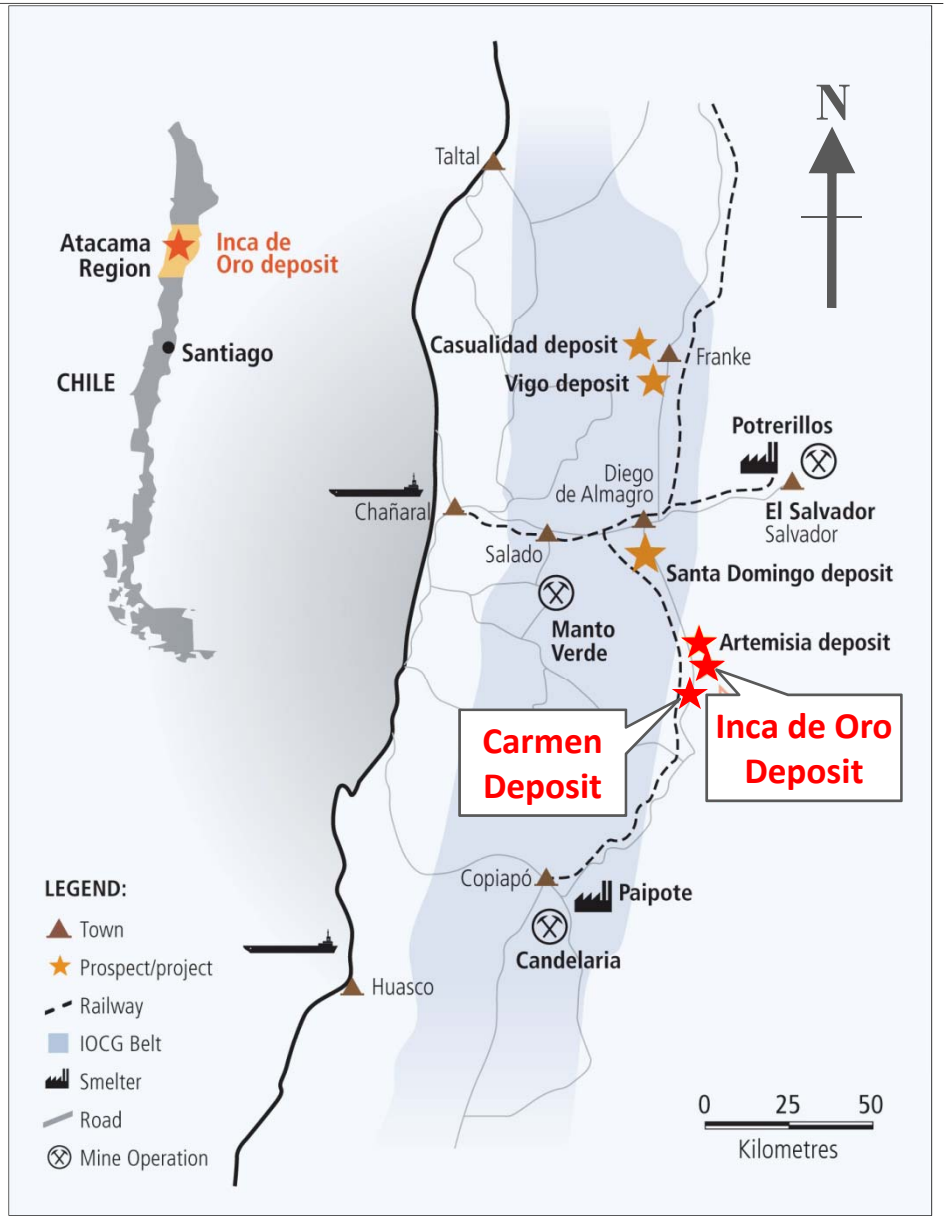
Inca de Oro S.A.: alliance with Codelco

- PanAust has a 59.4% beneficial interest in Codelco subsidiary, Inca de Oro S.A., through a 90% interest in PanAust Minera; Codelco retains a 34% interest
- PanAust's beach-head into South America
- Provides geographic diversity
- Consistent with PanAust's corporate growth strategy



PanAust South America projects, Chile

- Potential for the development of an operation producing 50,000t copper and 40,000oz gold per annum at a competitive cash cost over a +10year mine life
- Project benefits from excellent existing infrastructure
- Potential for development of Inca de Oro and Artemisia oxides
- Carmen copper-gold deposit acquired by PanAust in 2010



Data shown on a 100% equity basis.

Inca de Oro Copper-Gold Project Status

- PanAust South America office established in Santiago
- Executive General Manager appointed
- Moving rapidly to complete the feasibility study
- Study manager appointed and recruitment of the project technical team is well advanced
- Drill program commenced in April 2011 to provide additional data for incorporating into the feasibility study

Pre-feasibility study results summary

- Completed May 2010
- Based on well established Inca de Oro Mineral Resource base
- 18 to 20-month (60Mt) pre-strip (semi-consolidated gravels)
- Daily ore processing rates of 30,000t and 50,000t
- Processing both oxide and sulphide mineralisation
- Study and metallurgical work biased towards oxide mineralisation (small resource)
- Pit, plant and infrastructure layout constrained
- Small underground operation considered

Data shown on a 100% equity basis.

Feasibility study: key differences to PFS

- Defer oxide processing (stockpile); reduces initial capital intensity
- Stockpile partially oxidised refractory mineralisation for future evaluation
- Possibly defer molybdenum processing
- Defer underground mining
- Power supply options
- Value engineering
- Economic assumptions; lower cut-off grade

Indicative project fundamentals

- Feasibility Study scope and assumptions are largely based on scoping study findings and confirmed by the pre-feasibility study
- Mill throughput 12Mtpa (nominal); conventional bulk flotation technology; single line process plant
- Production rate target: 200,000tpa concentrate containing 50,000t copper, 40,000oz gold
- C1 cash cost target of US$1.00/lb after precious metal credits
- +10-year mine life
- Metallurgical recoveries: 87% copper and 60% gold
- Low strip ratio of 1.5:1 – waste includes oxide mineralisation and 60Mt pre-strip

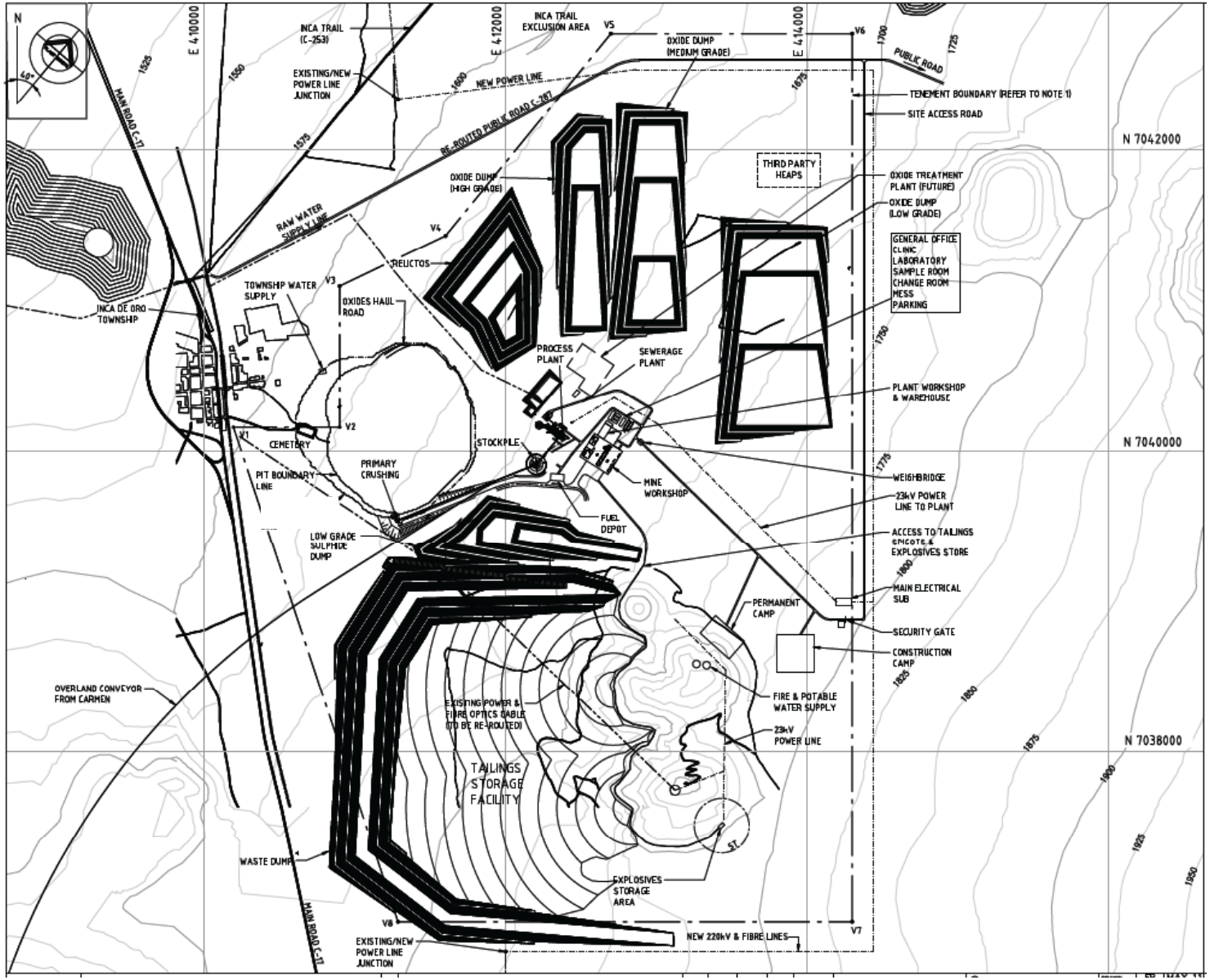
Data shown on a 100% equity basis.

Indicative project fundamentals (cont.)

- First three years of production to benefit from high-grade supergene ore
- Assumes Inca de Oro mill feed of approximately 127Mt grading 0.45% copper, 0.13g/t gold
- Base case economic input prices: US$2.50/lb copper and US$1,100/oz gold
- Development capital cost to be determined by the feasibility study; work to date suggests competitive capital intensity below the industry average of +US$10,000/annual tonne of copper equivalent production

Data shown on a 100% equity basis.

Project layout option



Feasibility study stage 1 critical tasks

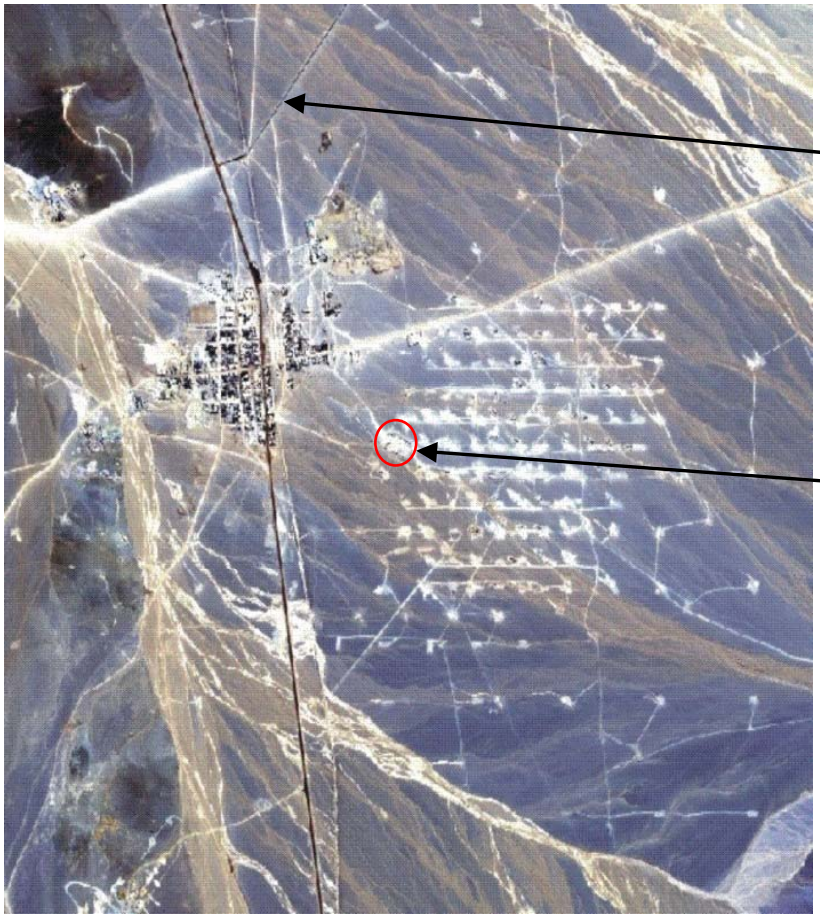
- Define throughput rate and expandability strategy
- Optimise and smooth material movements
- Efficient layout design
- Confirm concentrator flow sheet
- Define early works
- Size long lead equipment
- Finalise tailings storage facility location and deposition method
- Finalise power supply origin
- Finalise water supply origin (and cost of seawater)
- Design to mitigate community impacts

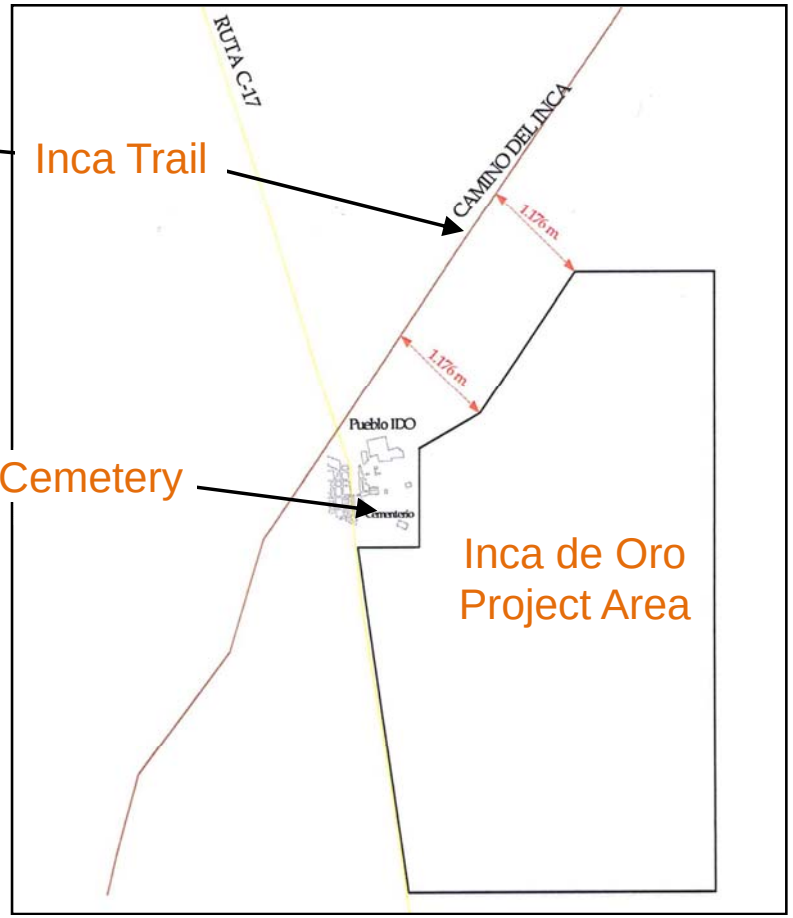
Development & implementation opportunities

- Accelerate implementation – EIA, FEED and approvals aligned with feasibility study stage 1; early procurement of long lead items
- Potential to defer capital (compared with pre-feasibility study) for oxide and molybdenum circuits
- Integrated tails/waste facility close to pit: waste used as construction material
- Shortest ore haulage distances; primary crusher at pit rim, conveyor to mill
- In-fill and grade control drilling to minimise production risk in first 3 years
- Benefit from Phu Kham experience: simple process plant design; mineralogical and metallurgical characterisation; utilise proven operating systems

Base Case Project Constraints

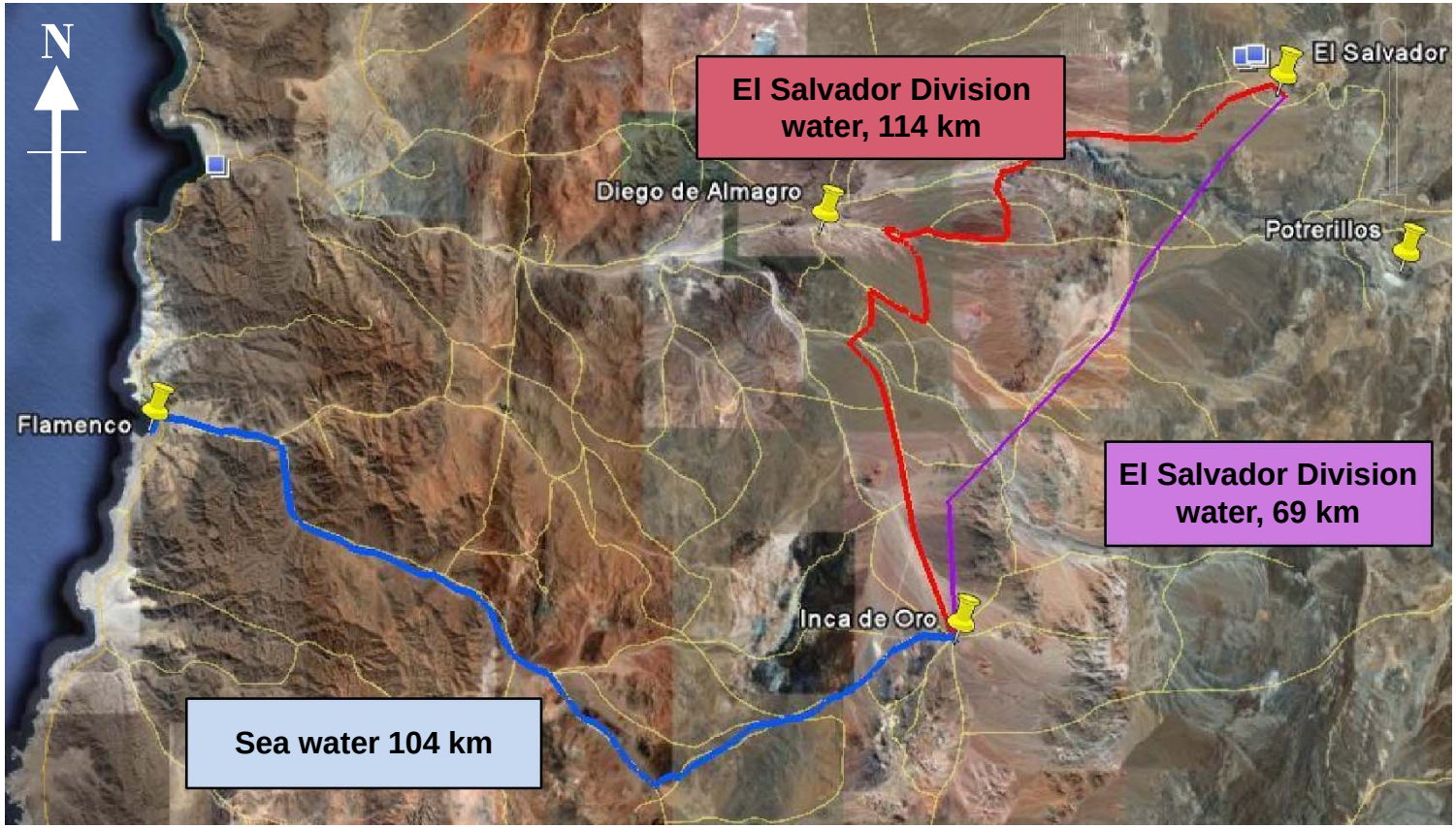
- 100 metre buffer to the cemetery
- 1,176 metre buffer to the Inca Trail
- No relocation requirements





Water supply options

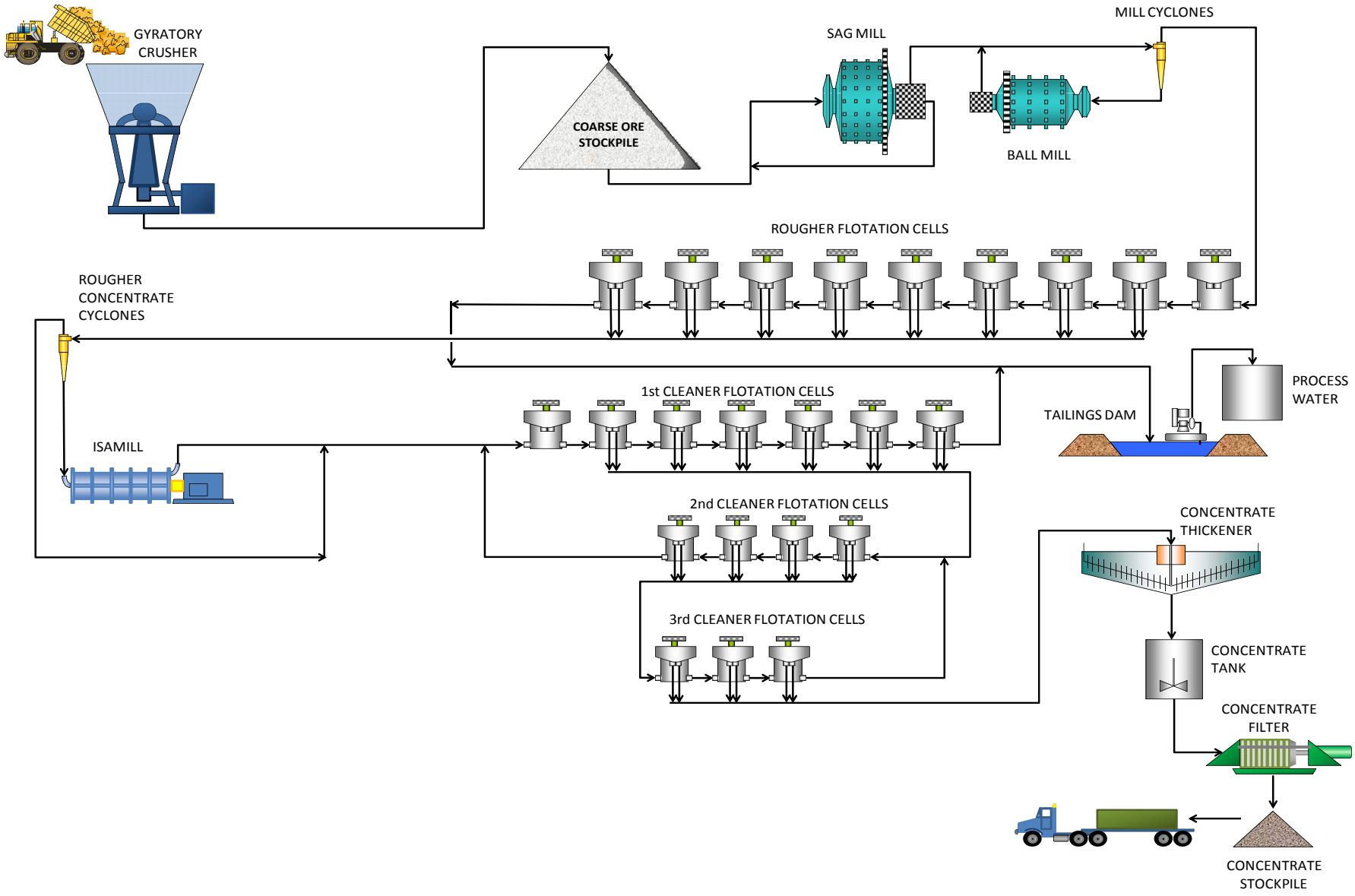
- Sea water
- Ground water allocation from Codelco's El Salvador Division
- PFS favoured the use of sea water
- Moderate Project elevation: 1,600m above sea level
- Capacity 675m^3/hr (~188l/s)
- 20" diameter pipe, 4 pump stations
- Capex ~US$75M
- Opex ~US$1.0/m^3



Power supply options

- Pre-feasibility study assumed:
  - Local tie-in
  - Existing alignment to be diverted off deposit
- Trade-off studies included in feasibility study
- New power capacity planned for region: 2.2GW Hacienda Castilla Project to be built south of Copiapó

Phu Kham flow sheet – a starting point



Opportunities: Inca de Oro vs Phu Kham

- Larger SAG mill and pebble crushing from day 1 to facilitate down steam debottlenecking
- Lower specific power requirement in the ball mill as optimum grind could be coarser
- Larger capacity and therefore fewer float cells in roughing; faster floating cleaner ore (low pyrite content)
- IsaMill vs Vertimill – capex versus flexibility
- Two stage cleaning versus three stage cleaning

Inca de Oro: indicative project milestones

Feasibility Study start	Mar 2011
Feasibility Study interim report (stage 1)	Dec Qtr 2011
Updated Mineral Resource estimates	Dec Qtr 2011
Early implementation approval for pre-development works and ordering of long-lead items	Dec Qtr 2011
Feasibility Study final report (bankable standard)	Jun Qtr 2012
Permitting and approvals	late 2012
Construction start	Jun half 2013
Initial production and ramp up	Mid 2014

Future opportunities

- Processing of green oxide mineralisation (Chrysocolla); potential feed for heap leach
- Processing of other oxides and mixed oxide/sulphide mineralisation; needs further metallurgical and mineralogical evaluation
- Drill evaluate the Artemisia oxide deposit; exploration within Inca de Oro tenement
- Potential to add a molybdenum flotation circuit to produce a molybdenum concentrate
- Steepen west pit wall
- Mineralisation extends to over 800m below surface; underground potential
- Drill evaluate extensions to the Inca de Oro deposit; mineralisation remains open to the west and at depth

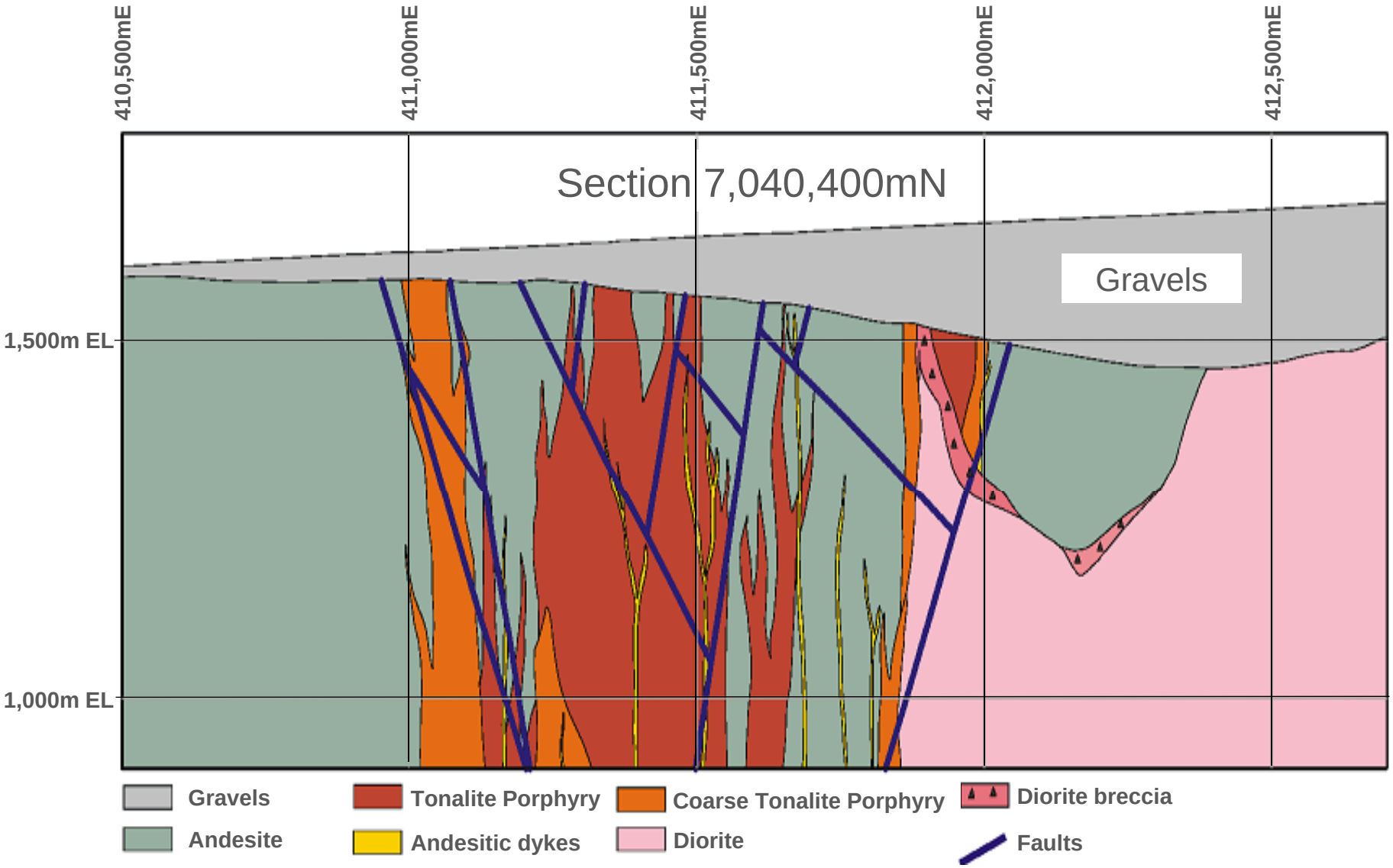
Geology

- Cretaceous age copper porphyry system
- By-product gold, silver and molybdenum of economic interest
- The currently defined deposit occupies an area of around one square kilometre
- Mineralisation associated with a porphyry breccia complex that intrudes older volcanic rocks; presents as a dense stockwork of quartz with associated chalcopyrite
- Composite sequence of leach-oxide-mixed and primary copper zones has been defined: oxide and mixed zone forms a continuous horizon of around 100 metres thickness with primary zone below

Geology (cont.)

- Deposit overlain by semi-consolidated cover sequence of gravels approx. 50m to 80m thick
- Gravel surface slopes moderately to the north while the palaeo-surface beneath dips to the east
- There remains excellent potential for discovery of extensions to the IDO deposit and discovery of other mineralised zones within the IDO concessions
- Recent economic evaluations of the Inca de Oro deposit indicate that a 0.20% copper cut-off grade is more appropriate for reporting than the previously stated 0.30% cut-off

Inca de Oro west-east cross section



Inca de Oro Mineral Resources*

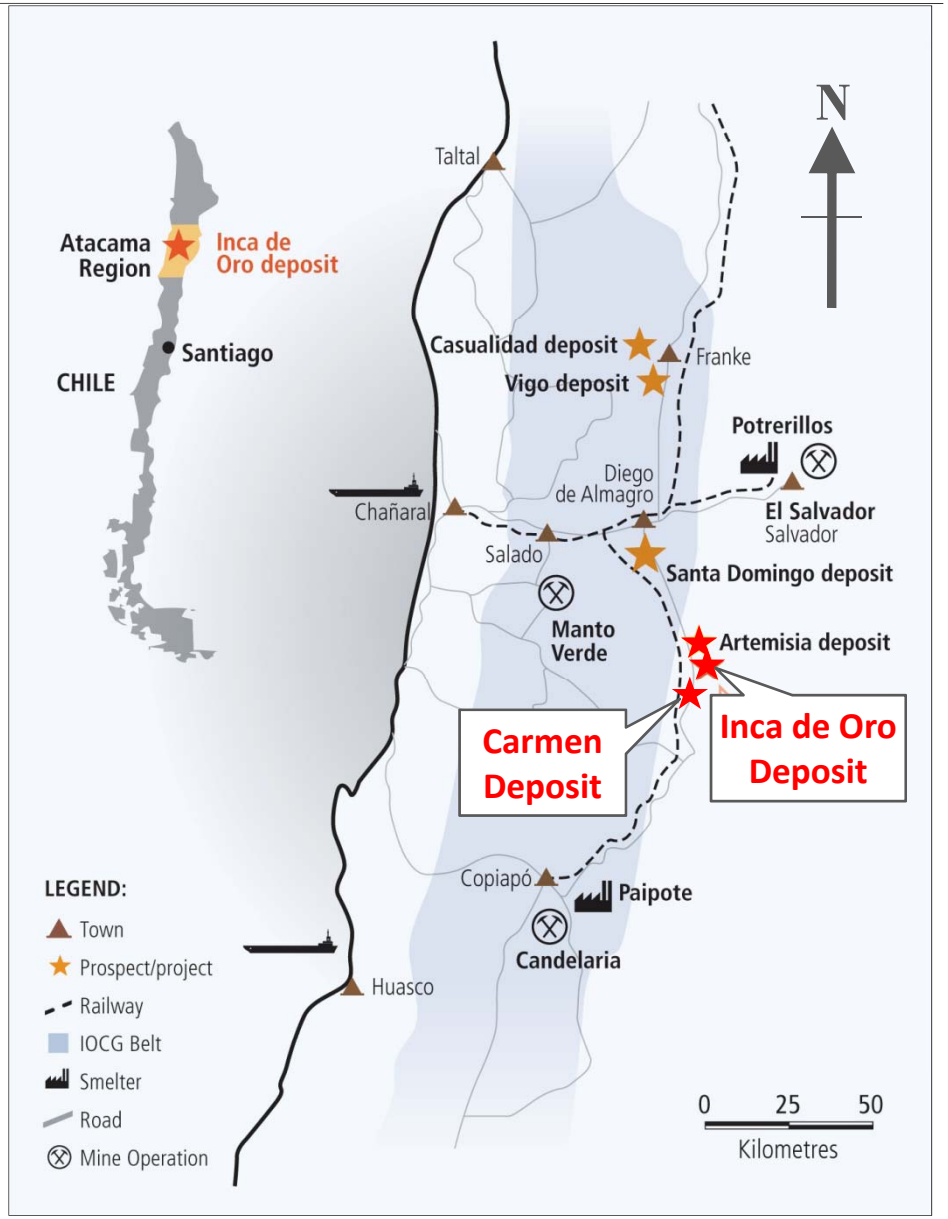
Mineral Resources (0.2% copper cut-off)

	Category	Tonnes (Mt)	Copper grade (%)	Gold grade (g/t)	Mo grade (%)
Oxide	Indicated	65	0.49	0.14	0.004
	Inferred	13.3	0.35	0.08	0.003
Mixed	Indicated	-	-	-	-
	Inferred	8.2	0.89	0.14	0.004
Combined Oxide-Mixed	**SUB TOTAL**	**86.5**	**0.63**	**0.13**	**0.004**
Supergene	Indicated	-	-	-	-
	Inferred	10.4	1.31	0.13	0.005
Primary	Indicated	373.8	0.34	0.11	0.010
	Inferred	299.0	0.27	0.07	0.010
Combined Supergene-Primary	**SUB TOTAL**	**683.2**	**0.32**	**0.09**	**0.010**
Total Resources		**769.7**	**0.36**	**0.10**	**0.010**

* Reported on a 100% equity basis. PanAust has a 59.4% beneficial interest in Inca de Oro.

Carmen copper-gold deposit

- Geologically similar to Inca de Oro
- Purchased by PanAust in 2010 for US$6M
- Elevated gold grade compared to the Inca de Oro deposit
- Located 15km southwest of Inca de Oro



Carmen Mineral Resources*

Mineral Resources (0.25% copper cut-off)

	Category	Tonnes (Mt)	Copper grade (%)	Gold grade (g/t)
Transitional	Measured	2.3	0.34	0.38
	Indicated	0.6	0.35	0.27
	Inferred	0.9	0.41	0.25
Primary	Measured	1.7	0.32	0.40
	Indicated	5.5	0.34	0.44
	Inferred	28.4	0.34	0.31
Combined Transitional and Primary	Measured	4.0	0.33	0.39
	Indicated	6.1	0.34	0.42
	Inferred	29.4	0.34	0.31
	TOTAL	**39.5**	**0.34**	**0.33**

* PanAust has a 100% beneficial interest in Carmen.

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The data in this presentation that relate to Mineral Resources are based on information reviewed by Mr Dan Brost who is a Member of the Australasian Institute of Mining and Metallurgy. Mr Brost is a full time employee of PanAust Limited. Mr Brost has sufficient experience relevant to the styles of mineralisation and type of deposits under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code). Mr Brost consents to the inclusion in this presentation of the Mineral Resources in the form and context in which they appear.