

**HD PanAust's Takeover Talks Ongoing, Profits Fall**
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SYDNEY--PanAust Ltd. (PNA.AU), reporting a 28% fall in half-year profit, said takeover talks with **China's** Guangdong Rising Assets Management were continuing but that it had yet to receive a formal offer it could recommend to shareholders.

PanAust has allowed Guangdong Rising Assets Management, or Gram, to scrutinize its books despite rejecting an offer of 2.30 Australian dollars (US\$2.14) a share from its largest shareholder as too low. It has also held talks with other parties about a possible takeover, but there have been no **firm** bids so far.

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"In order for the PanAust Board to recommend a change of control proposal, both price and conditionality will be important, including the status of any regulatory approvals," the **company** said Thursday.

PanAust, which has a market value of A\$1.49 **billion**, has two producing **copper** and **gold** mines in Laos, and hopes to complete the **purchase** of the Frieda River **copper-and-gold** mine in Papua New Guinea from Glencore PLC (GLEN.LN) this month.

Brisbane-based PanAust reported a profit of US\$28.1 **million** for the six months through June, down from US\$38.9 **million** in the corresponding period a year earlier. That result reflected lower prices for the major metals it produces.

The **company** declared an interim dividend of 3 Australian cents a share, and said its **operations** are on track to meet the upper end of forecast annual output of 65,000 tons to 70,000 tons of **copper** in concentrate, and 160,000 troy ounces to 165,000 ounces of **gold**.

-Write to David Winning at david.winning@wsj.com

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**CO** brucer : Panaust Limited | guramc : Guangdong Rising Assets Management Co., Ltd.

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