

SE Finance  
HD **Stafford says he's done at PanAust**  
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PANAUST'S managing director of the past 18 years Gary Stafford has flagged he will step down from the Laos **copper** and **gold** producer inside of 18 months.

Neither he nor the board expect he would leave in the next six months. "I want to make sure the business has a smooth transition," Mr Stafford said.

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His looming departure follows a spate of departures -- or planned departures -- at other **mining** companies, including those at BHP Billiton, Rio Tinto, Newcrest and OZ Minerals, all for differing reasons.

"This is all about PanAust. It's not about what has been going on in the broader environment, because we feel we have been doing really well," Mr Stafford said.

In the past 18 years, PanAust has grown from a \$5 **million** exploration **company** to one now valued at \$1.14 **billion**, whose success is built around its **acquisition** in 2001 from Normandy **Mining** of the Phu Bia contract area in communist Laos.

The remote mountainous region is home to PanAust's flagship Phu Kham **copper/gold** mine and the more recently developed Ban Houayxai **gold/silver** mine.

Mr Stafford leaves as the group's **copper** production from Laos could grow by as 40 per cent before the end of the decade without its having to spend much on capital, and as it has the growth options of the Frieda River **copper/gold** project in Papua New Guinea, and the Inca de Oro **copper/gold** project in Chile.

Mr Stafford said that if he had stayed on, he would have had to make a five-year commitment to see PanAust through the funding, implementation and first production of either Frieda River or Inca de Oro. It was a commitment he did not want to make.

He said: "From a personal perspective, I think I have done that in my career. It would involve similar sort of challenges to what I've done before, and it doesn't really fire me up in terms of wanting to do it again."

Mr Stafford said at the age of 53, he still had plenty of "fuel in the tank". He said that his post-PanAust life was likely to include charitable work in Laos. "I really owe that nation," he said.

PanAust's involvement in the proposed \$US1.8 Frieda River project is through a deal to buy GlencoreXstrata's 80 per cent **stake** for \$US75m (\$83m). That deal remains dependent on GlencoreXstrata selling its \$US6bn Las Bambas **copper** project in Peru to satisfy conditions laid down by **China** on last year's merger between Glencore and its majority owned Xstrata.

If Las Bambas is not sold, Beijing reserved the right to direct GlencoreXstrata to sell one of four other **copper** assets, one of which was Frieda River. But GlencoreXstrata this week confirmed that it was

in negotiations with **China**'s Minmetals (it owns 72 per cent of the Melbourne-based miner MMG) to conclude a Las Bambas deal.

Mr Stafford was last listed as having a direct and indirect interest in 11.23 **million** PanAust shares, worth \$20m at yesterday's market price of \$1.80 a share.

After the cancellation of certain rights under Mr Stafford's previous contract, and the addition of some undertakings as part of the transition to a new managing director, he will receive a \$4.68m payment, as well his normal performance-linked pay of up to \$3.4m.

**CO** golpla : OZ Minerals Limited

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