

COMPANY ANNOUNCEMENT

10 April 2018

Arbitrator finds in favour of PanAust Limited in interim arbitration proceedings with Highlands Pacific Limited

PanAust Limited (PanAust) welcomes the issue of the interim arbitration award under the arbitration proceedings with Highlands Pacific (Highlands) in relation to the obligations of Highlands to contribute to the costs of the Frieda River Copper-Gold Project (Frieda River Project).

PanAust Limited notes that the arbitrator, Mr Richard Chesterman AO RFD QC, has agreed with PanAust’s interpretation of what PanAust considered to be the plain meaning of the Joint Venture Agreement; namely, that Highlands had an obligation to contribute to the costs of the Frieda River Project from the date of lodgement of the application for a Special Mining Lease which occurred on 23 June 2016.

PanAust further notes that in an announcement issued to the ASX earlier today (10 April 2018) Highlands (without engaging in any prior discussion with PanAust following the issue of the interim arbitration award) advised that the arbitration with PanAust will proceed to the second stage, which will involve a detailed assessment of the feasibility study work thus far undertaken by PanAust.

PanAust is disappointed that Highlands has chosen to continue to resist its obligation to either contribute to the costs of the Frieda River Project or to dilute its interest. The arbitration has thus far cost both parties substantial time and resources at a time when, in PanAust’s view, the focus should be on maximising the value of the Frieda River Project for the benefit of all stakeholders.

PanAust will continue to vigorously pursue its rights under the Frieda River Joint Venture Agreement and will be seeking its substantial costs from Highlands in relation to the most recent arbitration proceedings.

For further information contact:

Ms Kate Horan

T +61 7 3117 2089

E kate.horan@panaust.com.au

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 BEST RURAL
 DEVELOPMENT



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