Exploration, Laos

Phonsavan Copper-Gold Project

- The most advanced of PanAust’s pre-development projects, the Phonsavan Copper-Gold Project lies in the northern part of the Company’s Contract Area in Laos and is focused on the KTL copper-gold deposit.
- A pre-feasibility study is underway and is expected to be reported in the September quarter 2013.
- The scope of the study is for the development of an open-pit mining operation at the KTL copper-gold deposit feeding ore to a conventional milling and flotation process plant with an annual processing capacity of seven million tonnes, and an annual output of approximately 25,000 tonnes of copper and 20,000 ounces of gold in concentrate during a mine life of approximately 10 years.
- The presence of a higher grade zone identified from drilling may provide an opportunity for increased metal production rates during the early part of the mine schedule.
- The Project is close to existing road and power infrastructure and the nearby town of Phonsavan may provide a source of labour.

Phu Kham district

- The Phu Kham district is a high priority target for exploration and resource development, and includes the Long Chien Track (LCT), Nam San, and Nam Ve deposits.
- The LCT deposit, six kilometres northwest of Phu Kham, has an estimated total combined Measured, Indicated and Inferred Mineral Resource of approximately 32 million tonnes at 0.77 grams per tonne gold, 4.9 grams per tonne silver and 0.12 per cent copper.
- Drilling at LCT is continuing with the aim of extending the limits of known mineralisation and converting the largely Inferred Mineral Resource to Measured and Indicated categories.
- At the Nam San deposit, adjacent to the Phu Kham open pit, an initial drill program was completed in early January 2013 and an inaugural Mineral Resource estimate is scheduled for the March quarter 2013.
- Seven kilometres northwest of LCT, gold-silver mineralisation has been intersected in scout drilling at the Nam Ve deposit.
- The target for Nam Ve is a zone of high-grade gold veins that outcrop in the area.