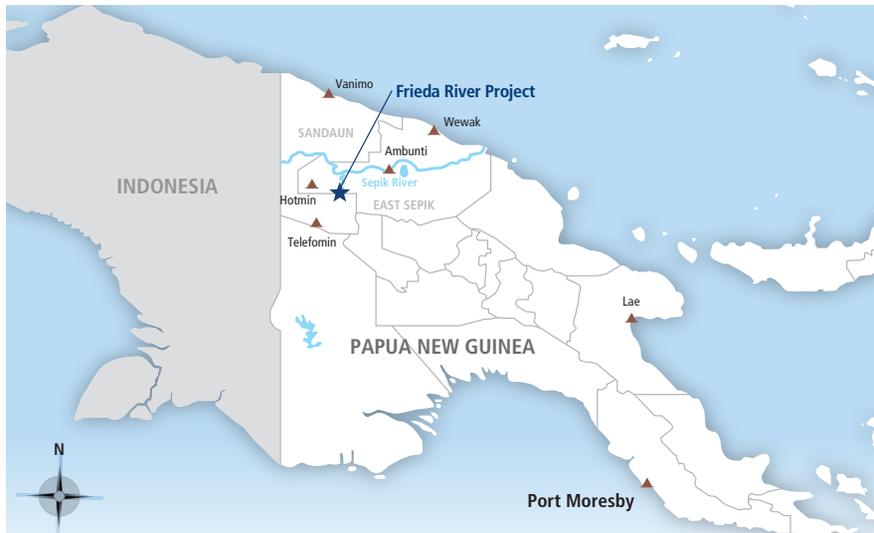




PANAUST

SEPIK DEVELOPMENT PROJECT, PAPUA NEW GUINEA



PanAust holds an 80 per cent interest in the Sepik Development Project in Papua New Guinea.

In December 2018, the Company announced it had identified a new nation-building development pathway for the Frieda River Project which was reported in an updated feasibility study.

The new pathway focuses on the development of shared-use infrastructure that will support, and in turn be supported by, a hydroelectric power facility and mining operation. This inclusive development model represents a transformative nation-building opportunity for the people and Government of Papua New Guinea – the Sepik Development Project.

The Sepik Development Project contemplates four interdependent projects that together will create a new economic corridor across the West Sepik and East Sepik Provinces: the Sepik Infrastructure Project, the Frieda River Copper-Gold Project, the Frieda River Hydroelectric Project, and the Sepik Power Grid Project.

The Sepik Infrastructure Project underpins the development of the Sepik Development Project and will establish transport and communications infrastructure between Vanimo and Telefomin along the Border Corridor.

The Frieda River Hydroelectric Project is a unique solution that combines the storage of water for reliable, low-cost hydroelectric power generation and the permanent containment of process tailings and mine waste rock. The facility will have a 190 metre high embankment wall. The power system will be configured to generate 490 megawatts (MW) of renewable energy which represents almost half of Papua New Guinea's Development Strategic Plan 2010-2030's hydroelectric expansion target of 1,020MW by 2030.

The Frieda River Copper-Gold Project will have a mine life of 33 years with an average annual output of approximately 175,000 tonnes of copper and 230,000 ounces of gold.

The Sepik Power Grid Project could be installed to transmit power from the Frieda River Hydroelectric Project to other customers to support the Government of Papua New Guinea's power distribution objectives.

A NATION-BUILDING OPPORTUNITY

The Sepik Development Project aligns with, and will help deliver, the Government of Papua New Guinea's development plans as outlined in Vision 2050 and the Papua New Guinea Development Strategic Plan 2010-2030. In particular, it will realise the Plan's 'Border Corridor' by providing important energy, transport and communications infrastructure that supports the integrated approach to mine development.

The Sepik Development Project will deliver a long-life hydroelectric facility and world-class copper-gold mine. These two commercial projects will be enabled by the third party development of an international maritime port, public roads, a regional airport, telecommunications, a power transmission system and rural electrification, establishing a new economic corridor in an underdeveloped region of Papua New Guinea.

Photo caption (L-R):

A map of PNG showing the location of the Frieda River Project
A logo depicting the Sepik Development Project