



PANAUST

24 January 2011

Quarterly Report for the three months ending 31 December 2010

Phu Kham Copper-Gold Operation, Laos

- Record quarterly copper production of 18,871t of copper: average C1¹ cash cost for the quarter of US\$0.76/lb copper after gold and silver credits.
- Total copper production for 2010 of 67,806t at an average C1 cash cost of US\$0.87/lb after precious metal credits; gold and silver production for the year of 60,642oz (in concentrate and doré) and 507,590oz respectively.

Growth Projects

Approval for Phu Kham Upgrade Project to increase ore processing and recovery rates

- PanAust Board approved a US\$110 million development to increase nominal ore processing rates from 12Mtpa to 16Mtpa from mid-2012.

Ban Houayxai Gold-Silver Project, Laos

- The Project remained on schedule at the end of the December quarter with commissioning anticipated to commence in December 2011.

Inca de Oro Copper-Gold Project, Chile

- The Company has been advised that the process for issuing the Presidential decree, authorising the transfer of a controlling interest in the Inca de Oro Project, is close to finalisation and that there are no material issues preventing finalisation.

Phonsavan Copper-Gold Project, Laos

- Further encouraging results from resource drilling at the KTL copper-gold deposit.

Corporate

- At 31 December 2010, the end of PanAust's financial year, the Company had cash of US\$185 million, debt of US\$45 million and undrawn debt facilities of US\$40 million.
- Earnings before Interest, Tax, Depreciation and Amortisation (EBITDA) for the 2010 year were US\$299 million (unaudited).
- EBITDA for the 2011 year is currently expected to be between US\$335 million and US\$390 million, assuming copper prices between US\$4.00/lb and US\$4.50/lb respectively².

¹ Brook Hunt convention for reporting direct cash costs comprising: mine site, concentrate transportation and freight, treatment and refining charges and marketing costs. Based on payable copper in concentrate produced

² Assumes gold and silver prices of US\$1,350/oz and US\$28/oz respectively and US\$0.85/litre diesel fuel cost

Phu Kham Operation, Laos

Introduction

For the second successive quarter, Phu Kham achieved record copper production with a total of 18,871t of copper produced at a competitive average C1 cash cost of US\$0.76/lb after precious metal credits (Table 1).

The strong production and cost performances were driven by above nameplate ore processing rates (annualised rate of 13.4Mt) and high commodity prices for precious metal by-products.

Table 1: Production and cost summary

Phu Kham Operations Production summary	Units	3 months to 31 Dec 2010	12 months to 31 Dec 2010
Copper in concentrate	t	18,871	67,806
Gold in concentrate	oz	17,826	58,152
Silver in concentrate	oz	144,489	507,590
Gold in doré (Heap Leach)	oz	-	2,490
C1 cash cost after precious metal credits ³	US\$/lb Cu	0.76	0.87

Further details of the production and cost performances are contained in Table 3 and Table 4 of this report

Production Performance

Above nameplate mill processing rates were achieved on soft transitional ores. This coupled with above average copper head grades during the quarter and increased copper recovery rates, contributed to the outstanding quarterly production performance. Recoveries improved with the increased proportion of faster floating chalcopyrite ore in the mill feed. This also provides confidence that metallurgical performance will continue to improve as the mine accesses greater quantities of primary ore over forthcoming years.

A monthly record for total material (ore and waste) moved of nearly 3Mt was set in November. The increase reflected improved load/haul efficiencies and the addition of a new mining shovel to the mining fleet.

Additional flotation capacity is scheduled to be installed during a 5-day planned maintenance shutdown of the process plant during late January 2011 and will be progressively commissioned through the remainder of the March quarter 2011 as part of an ongoing recovery improvement program. Once commissioned, the additional capacity is expected to result in an improvement of several percentage points in the average copper recovery rate. The additional cleaner circuit flotation capacity will also reduce current constraints on ore processing capacity during periods when higher grade ores are being processed.

Pay-metal in concentrate sales during the December quarter totalled 19,352t of copper and 18,809oz of gold. The average copper and gold prices realised (after hedging) were US\$4.01/lb and US\$1,307/oz respectively.

Annual production for 2010 was 67,806t of copper in concentrate at an average cash cost of US\$0.87/lb after precious metal credits. This compares with initial guidance provided at the beginning of 2010 of 60,000t to 63,000t of copper in concentrate at an average cash cost of

³ Based on invoiced pricing for gold and silver

between US\$0.95/lb and US\$1.05/lb after precious metal credits. This favourable outcome compared with guidance was primarily driven by head grades for copper, gold and silver, and mill operating time all exceeding budget.

Production and cost guidance

Strong mining and production performances are expected to continue during the March quarter 2011. PanAust currently estimates that 2011 year production at Phu Kham will be between 62,000t and 65,000t of copper in concentrate at an average C1 cash cost of between US\$0.95/lb and US\$1.05/lb copper after precious metal credits⁴ from 50,000oz to 55,000oz gold and 450,000oz to 500,000oz silver. The cash cost guidance reflects an expectation of higher input prices for consumables during 2011 when compared with 2010 and higher assumed precious metal prices.

Growth

PanAust has a corporate strategy focused on growth by discovery, acquisition and development.

Key components of this strategy are: a commitment to progressing capital efficient organic growth opportunities; the acquisition of producing or pre-development copper assets; and, pursuit of an active exploration and resource development program in Laos.

Committed Growth

Commissioning and ramp-up of the Phu Kham Upgrade and Ban Houayxai Gold-Silver Projects in 2012 will see PanAust Group annual production rise to 65,000 to 70,000t copper and more than 150,000oz gold and 1,000,000oz silver. At commodity prices of US\$4.00/lb copper, US\$1,350/oz gold, US\$28/oz silver, precious metals would account for nearly 30% of PanAust Group revenue.

Planned Growth

Completion of a successful feasibility study in 2012 at the Inca de Oro Copper-Gold Project and an anticipated two-year construction program should see Group attributable, annualised production grow to approximately 100,000t copper, 200,000oz gold and over 1,000,000oz silver in 2014.

PanAust also anticipates completing by mid-2012 the necessary permitting and studies an open pit mine and vat leach/SX-EW facility at the Puthep Copper Project in Thailand for production of circa 25,000t to 30,000t copper cathode.

During 2011, scoping studies will commence on the Phonsavan Copper-Gold Project in Laos following the planned estimation of initial mineral resources during the June half of 2011.

Phu Kham Upgrade Project

In mid-October 2010, PanAust announced that the Company's Board of Directors had approved a US\$110 million development to increase ore processing rates and improve metal recoveries at the Phu Kham Copper-Gold Operation. An order for the major long-lead item, the 13MW ball mill, was placed in November. The investment will deliver from mid-2012 an increase in design copper in concentrate production to between 65,000tpa and 70,000tpa from current design levels of between 60,000tpa and 65,000tpa and implementation is timed to coincide with a scheduled decline in ore head grade.

⁴ Assumes gold and silver prices of US\$1,350/oz and US\$28.00/oz respectively and US\$0.85/litre diesel fuel cost

Further details on the Phu Kham Upgrade were included in an announcement to the Australian Securities Exchange on 20 October 2010 entitled “Copper production set to increase at the Phu Kham Operation, Laos” and PanAust’s September quarter 2010 report which was released on 26 October 2010.

Phu Kham resource extension

Resource extension drilling continued during the quarter to test the northern and north-western limit of the Phu Kham copper-gold deposit outside of the current planned pit boundary. Data from the drilling will be incorporated into the annual mineral resource and ore reserve estimate updates which are scheduled to be completed during the June half 2011. Intersections from the drill program are detailed in Table 5 and include:

- GDD1101: 28 metres at 0.58% copper, 0.16g/t gold and 2.5g/t silver from 268 metres
40 metres at 0.62% copper, 0.15g/t gold and 1.5g/t silver from 348 metres
- GDD1102: 18 metres at 0.57% copper, 0.29g/t gold and 5.2g/t silver from 16 metres
44 metres at 0.42% copper, 0.11g/t gold and 0.8g/t silver from 260 metres
52 metres at 0.71% copper, 0.50g/t gold and 0.8g/t silver from 312 metres
- GDD1103: 24 metres at 0.85% copper, 0.36g/t gold and 3.0g/t silver from 12 metres
44 metres at 0.83% copper, 0.81g/t gold and 2.0g/t silver from 64 metres
14 metres at 0.79% copper, 0.22g/t gold and 1.0g/t silver from 114 metres
38 metres at 0.68% copper, 0.48g/t gold and 1.0g/t silver from 358 metres

Ban Houayxai Gold-Silver Project, Laos

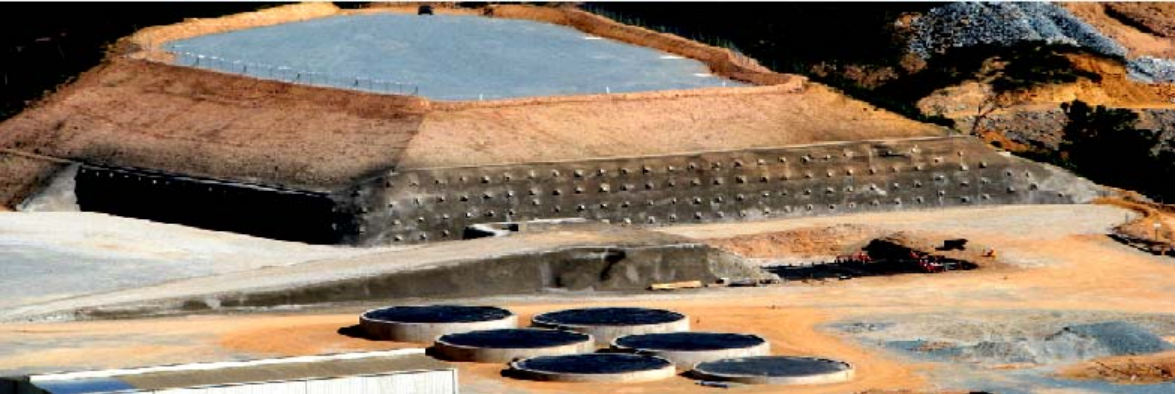
The Ban Houayxai gold-silver deposit is located approximately 25km west of the Phu Kham Copper-Gold Operation. In November 2009, PanAust commenced pre-development work for an operation comprising an open pit mine feeding ore to a conventional 4Mtpa Carbon In Leach (CIL) process plant to produce over 100,000oz of gold and 700,000oz of silver per annum.

At the end of the December quarter the Project construction was 21% complete, and expenditure and commitments totalled approximately US\$78 million out of a total capital for the Project of US\$150 million. During the quarter, off-site fabrication of the permanent camp and administration buildings was completed. On-site foundation work for the permanent buildings and ball mill are well advanced and installation of the CIL tank ring beams was completed. In late November, a program of grade control drilling commenced. Data from the program will provide detailed data for mine planning and scheduling during the early production phase.

The Project remains on schedule for initial commissioning to commence in late 2011 with steady state production attained during the March quarter 2012.



Ban Houayxai Gold-Silver Project site overview



Run-of-mine (ROM) pad construction



CIL tank ring beams installed and HDPE lining completed

The Ban Houayxai deposit remains open at depth and to the west. Further resource development drilling is aimed at delineating additional near surface oxide mineralisation, and upgrading the resource categorisation of deeper primary mineralisation with the target of extending the mine life to ten years. Data will be incorporated into the annual mineral resource and ore reserve estimate updates which are scheduled to be completed during the June half 2011. Significant intersections from the current resource extension and infill drill program are presented in Table 6 and include:

- HDD200 8 metres at 3.46g/t gold and 6.5g/t silver from 105 metres
- HDD201 71 metres at 0.77g/t gold and 3.8g/t silver from 7 metres
- HDD202 67 metres at 1.24g/t gold and 5.9g/t silver from surface
Including: 1 metre at 31.7g/t gold and 34.8g/t silver from 32 metres
- HDD204 13 metres at 2.12g/t gold and 20.1g/t silver from 110 metres
54 metres at 1.36g/t gold and 7.6g/t silver from 197 metres
Including: 11 metres at 4.42g/t gold and 21.9g/t silver from 197 metres
- HDD206 37 metres at 1.11g/t gold and 1.1g/t silver from 14 metres
Including: 2 metres at 11.7g/t gold and 6.5g/t silver from 37 metres
- HDD207 11 metres at 1.31g/t gold and 3.0g/t silver from 120 metres
- HDD210 22 metres at 1.04g/t gold and 5.2g/t silver from 9 metres
- HDD212 2 metres at 16.38g/t gold and 18.2g/t silver from 245 metres
- HDD214 9 metres at 1.34g/t gold and 3.4g/t silver from 42 metres
16 metres at 1.23g/t gold and 14.3g/t silver from 56 metres
Including: 3 metres at 5.26g/t gold and 22.0g/t silver from 57 metres
8 metres at 1.25g/t gold and 4.1g/t silver from 117 metres

Inca de Oro Copper-Gold Project, Chile

In the March quarter 2010, PanAust made a binding offer to Corporación Nacional del Cobre de Chile (“Codelco”) for PanAust to acquire a majority interest in the Chilean registered company Inca de Oro S.A., which will own the Inca de Oro Copper-Gold Project.

Under Chilean law, the offer is subject to approval by Presidential decree. The Company has been advised that the process for issuing the Presidential decree, authorising the transfer of a controlling interest in Inca de Oro, is close to finalisation and that there are no material issues preventing finalisation.

The acquisition will fit well with PanAust’s corporate strategy for growth and represents an excellent opportunity to establish a business in one of the world’s most attractive copper mining regions.

Phonsavan Copper-Gold Project

The Phonsavan Copper-Gold Project comprises two copper deposits: KTL and Tharkhek, located 5km apart and close to existing road and power infrastructure. A two-year resource drilling program is underway to define sufficient resources to justify the development of a copper-gold operation.

Resource drilling at **KTL** has confirmed the continuity of the copper-gold deposit over a strike length of 2km. The deposit, which dips moderately to the south at between 30 degrees and 40 degrees, remains open along strike to the east and down dip. Data from the resource drilling program will be incorporated into the inaugural resource estimate which is

scheduled to be completed during the June half 2011. Significant drill assay results from the current program are presented in Table 7 and include:

- KDD086: 10 metres at 0.85% copper, 0.03g/t gold and 2.8g/t silver from 162 metres
22 metres at 0.63% copper, 0.02g/t gold and 3.1g/t silver from 216 metres
- KDD089: 34 metres at 0.31% copper, 0.07g/t gold and 1.5g/t silver from 56 metres
24 metres at 0.41% copper, 0.24g/t gold and 2.1g/t silver from 146 metres
20 metres at 0.37% copper, 0.18g/t gold and 1.9g/t silver from 258 metres
- KDD090: 44 metres at 0.38% copper, 0.12g/t gold and 2.3g/t silver from 184 metres

Puthep Copper Project, Thailand⁵

The Puthep Company is targeting a project with an annual production rate of 25,000t to 30,000t of cathode copper over an eight-year mine life using whole of ore vat leaching to process the near-surface chalcocite mineralisation.

During 2011, Puthep Company plans to complete pilot-scale vat leach test work and will submit a mine plan to apply for mining leases and complete community consultation and an Environmental and Social Impact Assessment study.

Regional Exploration, Laos

PanAust is undertaking regional exploration activities at several defined prospects within the Company's 2,636km² Contract Area in Laos. The area is under-explored and is highly prospective for copper and gold, offering excellent potential for the discovery of significant new resources as the basis for organic growth.

Sustainability

Safety

No lost time injuries (LTI's) were recorded during the December quarter.

The Company's safety record remains excellent by international comparison. The LTI frequency rate (LTI's per million man-hours) on a 12-month rolling average basis at 31 December 2010 was 0.45.

Environment

There were no reportable environmental incidents during the quarter.

Local Community Projects, Laos

In the vicinity of Phu Kham, PanAust continues to advance a number of community development projects mainly in the neighbouring villages of Nam Mo and Nam Gnone. Education, health, infrastructure and business development are the main focus, with projects progressed in full consultation with local community and government.

Activities and achievements for the quarter included:

- Step change increase in revenue generated by the local communities for the quarter from the purchase, by the Phu Kham Operation, of vegetables, fruit, farmed fish and geological sample storage bags.

⁵ PanAust will earn a 51% interest in the Puthep Company upon completing a feasibility study on the PUT1 deposit and has further options to acquire a total 60% to 70% interest

- Facilitated workshops by Ministry of Health trainers for the local communities promoting sanitation and hygiene.
- The Governor of Xaisomboun District presented graduation certificates on completion of a three-month program of adult literacy classes at Nam Gnone.
- Agreement was reached with the Vientiane Province Department for Planning and Investment to proceed with three important Community Development Fund infrastructure projects: Nam Mo community centre; Nam Mo primary school expansion; and, Na Pho village (situated on the concentrate haulage route) lower secondary school.

Local Community Projects, Thailand

PanAust has been building a community relations program at the Puthep project in Loei province of Thailand, in particular in association with the ongoing ESIA work being conducted by Kasetsart University. The program has included:

- Support for local cultural and religious festivities.
- Contributions to local schools (largely sports equipment, learning tools, books, saplings).
- Site visits to the Phu Kham Operation in Laos for representatives of the Loei community.
- Presentations on the Puthep project for the local communities.
- Testing the quality of the village water supply (undertaken by Kasetsart University as a service to the communities in the project area).
- Building public toilets at Anantanimit Temple (the District's main temple where the local communities worship).
- Collaborating with the Nadingum Municipality to build a new Children Development Centre in Nongyasai (pre-school day care for 167 kids aged 2-6 years) to replace the previous building which had deteriorated due to age and termite damage.

Queensland floods

PanAust would like to extend its sympathy to those affected by the Queensland floods and has contributed \$100,000 to the Queensland Premier's Flood Relief Appeal. The Company is encouraging its employees to contribute to the fund and will match those donations dollar for dollar.

For details of how to make donations to the Premier's appeal, please visit the Queensland Government website "Donate to the flood relief appeal" page at <http://www.qld.gov.au/floods/donate.html>

Corporate

At 31 December 2010, the Company had cash of US\$185 million, debt of US\$45 million, undrawn debt facilities of US\$40 million, and a mobile equipment lease facility of US\$31.1 million.

For the 2010 year, EBITDA was US\$299 million (unaudited), US\$9 million above the most recent guidance range (31 December 2010). The improvement was largely due to an increase in the revaluation of unhedged provisionally priced copper sales and end of year cost adjustments being lower than anticipated.

EBITDA for the 2011 year is currently expected to be between US\$335 million and US\$390 million, assuming copper prices between US\$4.00/lb and US\$4.50/lb respectively⁶.

Copper price exposure

PanAust's current hedging policy seeks to maximise the Company's exposure to the prevailing copper price but protect the Company against near-term sharp falls in the copper price and revenue loss over the quotation period on provisionally priced shipments.

The Company manages the copper provisional price risk (over the quotational period) on sales contracts with bank hedging facilities. The average copper and gold prices realised during the December quarter (after hedging) were US\$4.01/lb (12 months to 31 December 2010 US\$3.44/lb) and US\$1,307/oz (12 months to 31 December 2010 US\$1,148/oz) respectively.

The Company's position at the end of the quarter for the strategic hedging implemented in the form of put options (as protection against potential downside copper price risk on future production) and to meet the requirements of the new debt facilities is set out in Table 2. The positions cover approximately 50% of forecast copper production for 2011, and 20% of forecast copper production for 2012. The 2012 put options are a requirement under the debt facility which was renegotiated in 2010.

Table 2: Put Options

Settlement Period	Tonnes	Average Strike Price/t	Av Strike Price/lb
2011	32,314	5,822	2.64
2012	13,656	4,960	2.25
Total	45,970	5,566	2.53

Gold price hedging

PanAust has no committed gold hedging following the close out in the September quarter 2010 of all gold hedging (committed and deferred premium put options) which the Company had entered into during 2007 under the original terms of the Phu Kham Project Finance Facilities. Whilst the cash-flow impact of the close-out was incurred during the September quarter, the charge to the profit and loss account will be amortised over the original hedge profile through to December 2013.

The Company may consider hedging part of the Ban Houayxai gold and silver production.

⁶ Assumes gold and silver prices of US\$1,350/oz and US\$28/oz respectively and US\$0.85/litre diesel fuel cost

Issued Capital

The issued capital of the Company at 31 December 2010 comprised:

2,955,176,819	Ordinary fully paid shares
35,742,500	Unlisted options
16,347,737	Unlisted share rights

Proposed 2011 reporting calendar:

- 24/25 Feb 2011 FY2010 financial result
- 20 Apr 2011 March quarter 2011 report
- 20 May 2011 Annual General Meeting
- 21 Jul 2011 June quarter 2011 report
- 25/26 Aug 2011 Interim Financial Result
- 27 Oct 2011 September quarter 2011 report

Dates are provisional and remain subject to confirmation.

Directors

Garry Hounsell	Non-executive Chairman
Gary Stafford	Managing Director
Geoff Billard	Non-executive Director
Andrew Daley	Non-executive Director
Geoff Handley	Non-executive Director
Nerolie Withnall	Non-executive Director
Zezhong Li	Non-executive Director
John Crofts	Non-executive Director

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Securities Exchange Listing

Australian Securities Exchange Code: PNA
PanAust is a constituent of the S&P/ASX 200 Index.

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Competent Person Statements

The data in this report that relates to exploration results are based on information reviewed by Mr Daniel Brost who is a Member of the Australasian Institute of Mining and Metallurgy.

Mr Brost is a full time employee of PanAust Limited. Mr Brost has sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves.

Mr Brost consents to the inclusion in the report of the exploration results in the form and context in which they appear.

Forward-Looking Statement

This announcement includes certain "Forward-Looking Statements". All statements, other than statements of historical fact, included herein, including without limitation, statements regarding production and cost performances, potential mineralisation, mineral resources, exploration results and future expansion plans and development objectives of PanAust Limited are forward-looking statements that involve various risks and uncertainties. There can be no assurance that such statements will prove to be accurate and actual results and future events could differ materially from those anticipated in such statements.

Attachment

Table 3: Production and sales statistics

Phu Kham Operations	Units	3 months to 31 Dec 2010	12 months to 31 Dec 2010
Total material mined	t	8,449,475	29,854,673
Copper-gold ore mined	t	3,054,995	12,242,248
Ore milled	t	3,351,761	12,856,720
Copper head grade	%	0.78	0.75
Gold head grade	g/t	0.37	0.33
Silver head grade	g/t	4.28	3.79
Concentrate produced	dmt	76,626	274,907
Copper in concentrate	t	18,871	67,806
Gold in concentrate	oz	17,826	58,152
Silver in concentrate	oz	144,489	507,590
Gold in doré (Heap Leach)	oz	-	2,490
Copper recovery	%	72.8	70.6
Concentrate sales	dmt	82,709	273,252
Payable copper in concentrate sold	t	19,352	63,976
Payable gold in concentrate sold	oz	18,809	56,127
Average copper price realised (copper revenue recognised / sales) after realised hedging	US\$/lb	4.01	3.44
Average gold price realised (gold revenue recognised / sales) after realised hedging	US\$/oz	1,307	1,148

Year to date data may incorporate minor post reporting period adjustments

Table 4: Production costs (US\$/lb copper)

Phu Kham Copper-Gold Operation	3 months to 31 Dec 2010	12 months to 31 Dec 2010
Mining cost	0.36	0.42
Processing cost	0.43	0.44
General & Administration	0.27	0.21
Total on-site operating costs	1.06	1.07
Transport handling and marketing	0.34	0.30
Concentrate treatment and refining	0.08	0.10
Total off-site operating costs	0.42	0.40
Deduct precious metal credits	(0.71)	(0.60)
Total direct operating costs (C1 cash cost)	0.76	0.87
Royalty	0.25	0.21
Depreciation and amortisation	0.35	0.37
Total costs	1.36	1.45

Notes: Costs are based on payable copper in concentrate produced. May include minor computational discrepancies due to rounding.

Table 5: Summary of Phu Kham North resource extension drill intersections

Hole No. Depth of hole Orientation	From (m)	Interval (m)	Copper Grade (%)	Gold Grade (g/t)	Silver Grade (g/t)
GDD1100 366m -60 to 270	128.0	18.0	0.50	0.28	0.8
GDD1101 465m -60 to 090	204.0	18.0	0.49	0.07	1.3
	232.0	4.0	0.43	0.08	2.0
	258.0	6.0	0.42	0.08	1.5
	268.0	28.0	0.58	0.16	2.5
	334.0	8.0	0.38	0.09	0.8
	348.0	40.0	0.62	0.15	1.5
	398.0	16.0	0.31	0.23	1.1
	424.0	8.0	0.49	0.35	0.9
450.0	4.0	0.39	0.03	0.8	
GDD1102 426m -60 to 090	16.0	18.0	0.57	0.29	5.2
	40.0	8.0	0.50	0.05	0.8
	66.0	10.0	0.31	0.16	1.4
	260.0	44.0	0.42	0.11	0.8
	312.0	52.0	0.71	0.50	0.8
	370.0	4.0	0.40	0.25	0.5
GDD1103 604m -60 to 000	12.0	24.0	0.85	0.36	3.0
	64.0	44.0	0.83	0.81	2.0
	114.0	14.0	0.79	0.22	1.0
	358.0	38.0	0.68	0.48	1.0

Intersection grades are down-hole length weighted calculations using a cut-off grade of 0.3% copper and a maximum sub-grade interval of 4m.

Table 6: Ban Houayxai Gold-Silver Project; drill intersections from resource extension and infill program

Hole No. Depth of hole Orientation	From (m)	Interval (m)	Gold Grade (g/t)	Silver Grade (g/t)
HDD200 312m -60 to 180	0.0	20.0	0.43	3.5
	31.0	13.0	0.48	13.9
	105.0	8.0	3.46	6.5
	Incl.:			
	105.0	3.0	9.01	13.5
	124.0	8.0	0.38	5.5
HDD201 339m -60 to 180	196.0	4.0	0.59	2.0
	7.0	71.0	0.77	3.8
	87.0	11.0	0.35	5.5
	122.0	5.0	0.38	6.3
	133.0	9.0	0.43	2.2
	159.0	13.0	0.78	1.7
177.0	5.0	0.44	2.5	

Hole No. Depth of hole Orientation	From (m)	Interval (m)	Gold Grade (g/t)	Silver Grade (g/t)
HDD202 318m -60 to 180	0.0	67.0	1.24	5.9
	Incl.: 32.0	1.0	31.7	34.8
HDD204 321m -60 to 180	110.0	13.0	2.12	20.1
	129.0	12.0	0.53	8.7
	197.0	54.0	1.36	7.6
	Incl.: 197.0	11.0	4.42	21.9
	266.0	34.0	0.39	2.2
HDD206 320m -60 to 180	14.0	37.0	1.11	1.1
	Incl.: 37.0	2.0	11.7	6.5
HDD207 318m -60 to 180	28.0	4.0	0.50	1.6
	66.0	14.0	0.43	4.7
	120.0	11.0	1.31	3.0
HDD208 385m -60 to 180	177.0	11.0	0.86	21.2
HDD210 37m -60 to 180	9.0	22.0	1.04	5.2
HDD212 400m -60 to 180	0.0	4.0	0.38	0.6
	9.0	9.0	0.31	1.3
	25.0	5.0	0.34	9.6
	245.0	2.0	16.38	18.2
	Incl.: 246.0	1.0	32.3	35.4
	313.0	5.0	0.76	3.9
HDD214 435m -60 to 180	1.0	7.0	0.53	1.2
	27.0	10.0	0.58	2.3
	42.0	9.0	1.34	3.4
	56.0	16.0	1.23	14.3
	Incl.: 57.0	3.0	5.26	22.0
	103.0	9.0	0.51	16.4
	117.0	8.0	1.25	4.1

Intersection grades are down-hole length weighted calculations using a 0.3g/t gold cut-off and a maximum sub-grade interval of 4m.

Table 7: Phonsavan Copper Project; significant copper-gold drill intersections

Hole No. Depth of hole Orientation	From (m)	Interval (m)	Copper Grade (%)	Gold Grade (g/t)	Silver Grade (g/t)
KTL deposit:					
KDD086 381m -60 to 000	136.0	6.0	0.32	0.2	2.7
	162.0	10.0	0.85	0.03	2.8
	216.0	22.0	0.63	0.02	3.1
	250.0	8.0	0.66	0.01	3.4

Hole No. Depth of hole Orientation	From (m)	Interval (m)	Copper Grade (%)	Gold Grade (g/t)	Silver Grade (g/t)
KDD087 390m -60 to 000	256.0	12.0	0.29	0.11	2.0
	282.0	18.0	0.29	0.04	1.5
	320.0	6.0	0.71	0.07	4.6
KDD088 316m -60 to 000	8.0	6.0	0.44	0.03	0.3
	28.0	14.0	0.32	0.04	1.1
	112.0	6.0	0.73	0.16	2.3
	162.0	14.0	0.50	0.17	2.1
KDD089 391m -60 to 000	56.0	34.0	0.31	0.07	1.5
	146.0	24.0	0.41	0.24	2.1
	258.0	20.0	0.37	0.18	1.9
KDD090 357m -60 to 000	184.0	44.0	0.38	0.12	2.3
	308.0	14.0	0.45	0.06	1.9

Intersection grades are down-hole length weighted calculations using a 0.3% copper cut-off and a maximum sub-grade interval of 4m.