



PANAUST

24 January 2012

Quarterly Report for the three months ended 31 December 2011

Phu Kham Copper-Gold Operation, Laos

- Quarterly copper in concentrate production of 16,640t at an average C1¹ cash cost of US\$0.95/lb copper (after gold and silver credits); record monthly copper production achieved in December.
- Total copper production for 2011 in line with guidance: 59,897t at an average C1 cash cost of US\$1.01/lb after precious metal credits.

Growth Projects

Ban Houayxai Gold-Silver Project, Laos

- Commissioning has commenced with first gold production scheduled for March 2012.

Phu Kham Upgrade Project, Laos

- Commissioning and ramp-up scheduled for the June quarter 2012.

Inca de Oro Copper-Gold Project, Chile

- Feasibility study continued; on schedule for completion in mid-2012.

Corporate

- At 31 December 2011 the Company had cash of US\$155 million and debt (non-current) of US\$45 million (excluding equipment lease facilities).
- Earnings before interest, tax, depreciation and amortisation (EBITDA) for the 2011 year were US\$285 million (unaudited).
- EBITDA for the 2012 year is currently expected to be between US\$340 million and US\$400 million, assuming copper prices between US\$3.50/lb and US\$4.00/lb respectively².
- PanAust's commitment to sustainable development was further recognised with the Group receiving two separate awards during the quarter.

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\$1,800/oz and US\$30/oz respectively.

2011 WINNER - SOCIAL/COMMUNITY
PRESENTED BY ETHICAL INVESTOR



2010 and 2011 WINNERS
BEST COMMUNITY DEVELOPMENT INITIATIVE AWARD



Phu Kham Operation, Laos (PanAust 90%)

Introduction

Phu Kham returned to normal production levels in November 2011 as access to higher grade ores in the lower benches of the open-pit was re-established after the severe rainfall events of mid-2011. A monthly record for copper in concentrate production of 6,639t was achieved in December.

Copper in concentrate production for the quarter was 16,640t at an average C1 cash cost of US\$0.95/lb (Table 1) after precious metal credits totalling US\$0.84/lb copper. Full year copper production was 59,897t at an average cash cost of US\$1.01/lb.

Table 1: Production and cost summary

Phu Kham Operations Production summary (100% equity basis)	Units	3 months to 31 Dec 2011	12 months to 31 Dec 2011
Copper in concentrate	t	16,640	59,897
Gold in concentrate	oz	14,674	53,590
Silver in concentrate	oz	154,644	538,123
C1 cash cost after precious metal credits ³	US\$/lb Cu	0.95	1.01

Further details of the production and cost performances are contained in Table 4 and Table 5 of this report

Production Performance

The Operation processed ore at an annualised rate of 13.6Mt, above the nameplate capacity of 12Mtpa (million tonnes per annum). This was achieved despite a seven-day shutdown in October to complete a planned reline of the SAG mill and tie-ins relating to the Phu Kham Upgrade Project. The processing rate for December was a record with an annualised rate of nearly 15.6Mt achieved. A further plant shutdown was completed in early January 2012 to undertake additional tie-in work for the Upgrade.

With access to the deeper, higher grade ores re-established, the head grade of ore mined and recovery rates improved from the low levels achieved during the previous quarter. The head grade for December quarter averaged 0.68% copper and the metallurgical recovery averaged 71.4% (0.61% and 66% respectively for the September quarter 2011).

Pay-metal in concentrate sales during the December quarter totalled 18,029t of copper, 17,496oz of gold and 152,807oz of silver. The average copper, gold and silver prices realised (after hedging) were US\$3.56/lb, US\$1,590/oz and US\$31/oz respectively.

Phu Kham Upgrade Project

Implementation of the Phu Kham Upgrade Project will allow design ore processing rates to increase from 12Mtpa to 16Mtpa and lead to improved metal recoveries through an increase in grinding and flotation capacity. The Upgrade is timed to coincide with a scheduled decline in ore head grade during 2012.

By the end of the quarter detailed engineering and procurement were largely completed and off-site fabrication of long lead items was nearing completion. Commissioning is scheduled for the

³ Based on invoiced pricing for gold and silver.

June quarter 2012 with ramp-up to continue into the following quarter. It is envisaged that mill throughput will be between 14 million tonnes and 14.5 million tonnes in 2012, depending on operating performance during the ramp-up phase.

The estimated capital cost for the Phu Kham Upgrade Project is US\$95 million (incorporating a contingency of US\$14 million). At the end of the quarter, Project expenditure totalled approximately US\$29 million.

Phu Kham production and cost guidance⁴

PanAust currently estimates that 2012 production at Phu Kham will be between 63,000t and 65,000t of copper in concentrate at an average C1 cash cost of between US\$1.05/lb and US\$1.15/lb copper after precious metal credits from 50,000oz to 55,000oz gold and 550,000oz to 600,000oz silver.

Ban Houayxai Gold-Silver Project, Laos (PanAust 90%)

The Ban Houayxai gold-silver deposit is located approximately 25 kilometres west of the Phu Kham Copper-Gold Operation. The Project, which is scheduled to commence production in March 2012, will comprise an open pit mine feeding ore to a conventional 4Mtpa Carbon In Leach (CIL) process plant with a nominal production profile of 100,000oz of gold and 700,000oz of silver per annum.

At the end of the quarter, Project expenditure totalled approximately US\$168 million with overall progress standing at 93% complete. The capital cost of the Ban Houayxai Project, including contingency is expected to range from US\$183 million to US\$195 million. An estimated US\$5 million of deferred capital (included in the capital estimate) will be required to fund the second and final design lift of the Tailings Storage Facility (TSF) after operations commence during 2012.

The 115kV HV power line to site was energised in early January 2012 and progressive commissioning of equipment has commenced.

The International Cyanide Management Institute has announced that Ban Houayxai has been pre-operationally certified in compliance with the International Cyanide Management Code. The Code is a voluntary industry program for companies involved in the production of gold using cyanide and companies producing and transporting cyanide and is intended to complement an operation's existing obligation to comply with the applicable laws and regulations of the political jurisdictions within which the operation is located.

Resource development drilling continued during the quarter. The purpose of the drilling program is to define a pervasive, relatively high-grade, gold-silver zone that extends from surface through the oxide and primary zones of the deposit.

Significant intersections from recent drilling are presented in Table 7 and include:

- HDD249 12 metres at 2.13g/t gold and 2.5g/t silver from surface, and 11 metres at 2.26g/t gold and 49.1g/t silver from 130 metres
- HDD250 20 metres at 7.56g/t gold and 38.4g/t silver from 30 metres

⁴ Cash cost guidance assumes by-product credits based on average gold and silver prices for 2012 of US\$1,800/oz and US\$30/oz respectively.

Ban Houayxai production and cost guidance⁵

Production at Ban Houayxai is scheduled to commence in March 2012. The current estimate for 2012 production at Ban Houayxai is approximately 85,000oz of gold at a cash cost of between US\$550/oz and US\$600/oz after a credit from approximately 200,000oz of silver. The oxide ore that is scheduled to be mined in the first year is partly silver depleted and will result in silver production below the life of mine average. Silver head grades are scheduled to rise quarter-on-quarter throughout 2012 and increase more significantly during 2013 as transitional ore becomes a greater proportion of the mill feed.

Pre-development and exploration projects

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.

The development projects currently under construction namely: Ban Houayxai and the Phu Kham Upgrade are the platform for a pipeline of pre-development and exploration projects that should maintain a strong growth profile for the Company over the medium to long-term.

Inca de Oro Copper-Gold Project, Chile (59.4% PanAust)

PanAust is managing the feasibility study for the Inca de Oro Project. The full study is scheduled for completion during the June quarter 2012 for consideration by the joint venture and PanAust Board in the September quarter 2012. The Inca de Oro pre-feasibility study, completed by Codelco, indicated the potential for a conventional open-pit mining and flotation operation to support annual production of approximately 50,000t of copper and 40,000oz of gold in concentrate at a competitive cash cost and over a plus ten-year mine life.

Phu Kham district incorporating Nam San and Long Chieng Track (LCT) (90% PanAust)

PanAust has established a brown-fields exploration team to investigate potential extensions to the Phu Kham mineral resource envelope and repeats of Phu Kham-style mineralisation along a highly prospective corridor, which runs at least seven kilometres due north and along strike of the northern boundary of the Phu Kham deposit.

Drilling results received during the quarter confirmed the discovery of the high-grade Nam San copper-gold deposit adjacent to the Phu Kham open-pit. Drilling to date has confirmed the lateral continuity of mineralisation over at least 400 metres and the zone remains open to the east, northwest and at depth. The drilling results are presented in Table 6 and include:

- GDD1139 70 metres at 1.09% copper and 0.88g/t gold from 456 metres
- GDD1140 28 metres at 0.86% copper and 0.18g/t gold from 158 metres (likely extension to the Phu Kham deposit); and
22 metres at 0.71% copper and 0.08g/t gold from 446 metres (close to the southern limit of the Nam San deposit).

⁵ Cash cost guidance assumes bi-product credit based on an average silver price for 2012 of US\$30/oz.

The mineralisation coincides with a deep geophysical target and is contained within a sequence of volcanic rocks similar to those which host the Phu Kham orebody. Nam San is covered by a sequence of limestone and granite and is interpreted as a fault-displaced extension of the Phu Kham deposit.

Drilling at the Nam San deposit will be accelerated over the next 6-12 months with the objective of defining an inferred mineral resource in the second half of 2012. In addition, conceptual studies have commenced to investigate possible portal locations for underground access, mining methods and mining rates.

The discovery earlier in 2011 of primary mineralisation approximately six kilometres northwest of Phu Kham at LCT, together with the Nam San deposit, will influence the exploration and development strategy for the Phu Kham district. Should sufficient inferred resources be identified during 2012, then PanAust will commence a scoping study to investigate opportunities for increasing copper and gold production from the Phu Kham district either: through blending high-grade feed from the newly discovered deep zone with ore from the current open-pit; or, through the development of new processing facilities.

Phonsavan Copper-Gold Project, Laos (90% PanAust)

The Project comprises two copper-gold deposits: KTL and Tharkhek, located five kilometres apart and close to existing road and power infrastructure.

A scoping study is underway on the development concept for the Project which contemplates two open pit mines (KTL and Tharkhek) feeding a central processing plant. The preferred processing option and infrastructure layout will be determined once inaugural resource estimates for Tharkhek copper-gold and gold prospects have been completed in mid-2012.

Resource drilling programs are underway at both the KTL and Tharkhek deposits. Significant drill assay results from the current program are presented in Table 8 and include:

- KDD119 12 metres at 1.11% copper, 0.40g/t gold and 4.5g/t silver from 6 metres
- KDD121 24 metres at 1.11% copper, 0.80g/t gold and 3.3g/t silver from 60 metres
- KDD127 34 metres at 2.47% copper, 3.17g/t gold and 5.4g/t silver from 110 metres
- KDD129 14 metres at 1.26% copper, 0.70g/t gold and 7.7g/t silver from 30 metres
18 metres at 1.10% copper, 0.03g/t gold and 2.9g/t silver from 90 metres
- KDD130 42 metres at 1.45% copper, 0.96g/t gold and 2.8g/t silver from 156 metres
- KDD131 70 metres at 1.10% copper, 0.51g/t gold and 2.8g/t silver from 116 metres
12 metres at 1.63% copper, 1.22g/t gold and 6.5g/t silver from 192 metres
- TKD082 32 metres at 0.77% copper, 0.18g/t gold and 3.2g/t silver from 66 metres

Drilling at KTL focused on infill and down-dip extensions to mineralisation. Mineralisation dips moderately to the south at between 30 degrees and 40 degrees and has a strike length of two kilometres.

Drilling at the Tharkhek copper-gold deposit has intersected broad zones of skarn mineralisation in a structurally complex setting. Drilling also tested extensions to the high-grade gold skarn discovery at Tharkhek (announced in June 2010), which is adjacent to the copper-gold deposit.

Regional Exploration, Laos (90% PanAust)

PanAust is undertaking regional exploration activities at several identified prospects within the Company's 2,636km² Contract Area in Laos. The Contract Area remains 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 of the business.

Puthep Copper Project, Thailand (49% PanAust)

The joint venture is undertaking a strategic review of the Puthep Copper Project in Thailand including investigating the potential for selling the asset. From PanAust's perspective, the Project does not rank as highly as other growth opportunities the Company has in its pre-development portfolio.

Sustainability

Safety

The LTI frequency rate (LTI's per million man-hours) on a 12-month rolling average basis at 31 December 2011 was 0.06.

Environment

There were no reportable environmental incidents during the December quarter.

In January 2012 Ban Houayxai was pre-operationally certified in compliance with the International Cyanide Management Code.

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 projects continued to progress in consultation with local community and government representatives.

PanAust's commitment to sustainable development received further recognition during the quarter with the Company receiving two separate awards: the 'Social - Community' category award at the Ethical Investor magazine's 11th Australian Sustainability Awards in recognition of its Livelihood Improvement Program in Laos; and, the Labour Order Class 1 Award for 'Best Development in a Rural Area' from the Government of Laos in recognition of the "outstanding contribution to rural socio-economic development and poverty eradication between 2006 and 2010".

Corporate

At 31 December 2011, the Company had cash of US\$155 million, debt of US\$45 million (non-current), undrawn debt facilities of US\$55 million, and mobile equipment lease facilities drawn to a total of US\$64 million. PanAust's cash balance coupled with strong cash flow from Phu Kham and existing facilities places the Company in a strong position to meet its anticipated major cash commitments over the first half of 2012 which include the balance of project expenditure at Ban Houayxai (approximately US\$15 million to US\$27 million) and Phu Kham Upgrade (approximately US\$66 million) together with an estimated net payment of over US\$30 million due to the Government of Laos for the 2011 tax year.

For the 2011 year, EBITDA was US\$285 million (unaudited) and includes one-off costs totalling approximately US\$8 million that relate to repair/recovery work following the mid-2011 severe

rainfall events. EBITDA for the 2012 year is currently expected to be between US\$340 million and US\$400 million, assuming copper prices between US\$3.50/lb and US\$4.00/lb respectively⁶.

Copper price exposure

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

The Company manages short-term and provisional price risk (over the quotational period) on copper sales through swaps and fixed price agreements with customers. Protection against potential downside copper price risk on future production is currently provided by put options over the next two years. These strategies are consistent with the hedging protocol stipulated under the Company's bank loan agreements.

At the time of this report, 8,400t (52%) of PanAust's copper sales from shipments for the period from September to December 2011, that are currently subject to provisional pricing, are covered by hedging and fixed price agreements at an average copper price of US\$3.68/lb.

PanAust's copper hedging positions and fixed price agreements as at the date of this report are summarised in Tables 2 and 3.

Table 2: Hedging and fixed price agreements on provisional invoicing

Settlement Period	Tonnes	Average Price US\$/lb
March Qtr 2012	8,400	3.68

Table 3: Strategic hedging: Copper Put Options

Settlement Period	Tonnes	Average Strike Price US\$/lb	Premium payable US\$
June half 2012	6,093	2.25	2,321,105
December half 2012	7,563	2.25	3,002,027
June half 2013	6,237	2.37	1,533,833
December half 2013	2,985	2.25	1,410,654
Total	22,878	2.28	8,267,620

Gold/Silver price hedging

PanAust currently has no gold or silver hedging in place but may consider hedging part of future gold and silver production.

⁶ Assumes mid-point of 2012 production guidance and gold and silver prices of US\$1,800/oz and US\$30/oz respectively.

Issued Capital

The issued capital of the Company at 31 December 2011 comprised:

593,992,185	Ordinary fully paid shares
6,315,796	Unlisted options
2,605,677	Unlisted share rights

Proposed 2012 reporting calendar:

- 23 Feb 2012 FY2011 financial result
- 12 Apr 2012 March quarter 2012 report
- 18 May 2012 Annual General Meeting
- 19 Jul 2012 June quarter 2012 report
- 23 Aug 2012 Interim financial result
- 25 Oct 2012 September quarter 2012 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
Ken Pickering*	Non-executive Director

*appointed 28 October 2011

Registered and principal office

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Securities Exchange Listing

Australian Securities Exchange Code: PNA
PanAust is a constituent of the S&P/ASX 100 Index.

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Attachment

Table 4: Production and sales statistics

Phu Kham Operations	Units	3 months to 31 Dec 2011	12 months to 31 Dec 2011
Total material mined	t	7,892,242	29,627,854
Copper-gold ore mined	t	3,292,821	12,223,401
Ore milled	t	3,403,036	13,119,382
Copper head grade	%	0.68	0.65
Gold head grade	g/t	0.31	0.32
Silver head grade	g/t	4.44	4.10
Concentrate produced	dmt	70,694	250,154
Copper in concentrate	t	16,640	59,897
Gold in concentrate	oz	14,674	53,590
Silver in concentrate	oz	154,644	538,123
Copper recovery	%	71.4	69.9
Concentrate sales	dmt	81,158	256,347
Payable copper in concentrate sold	t	18,029	57,858
Payable gold in concentrate sold	oz	17,496	53,582
Payable silver in concentrate sold	oz	152,807	479,983
Average copper price realised (copper revenue recognised / sales) after realised hedging	US\$/lb	3.56	3.98
Average gold price realised (gold revenue recognised / sales) after realised hedging	US\$/oz	1,590	1,470
Average silver price realised (silver revenue recognised / sales)	US\$/oz	31.01	35.07

Table 5: Production costs (US\$/lb copper)

Phu Kham Copper-Gold Operation	3 months to 31 Dec 2011	12 months to 31 Dec 2011
Mining cost	0.52	0.57
Processing cost	0.58	0.56
General & Administration	0.25	0.23
Total on-site operating costs	1.35	1.36
Transport handling and marketing	0.32	0.32
Concentrate treatment and refining	0.12	0.12
Total off-site operating costs	0.44	0.44
Deduct precious metal credits	(0.84)	(0.80)
Total direct operating costs (C1 cash cost)	0.95	1.01
Royalty	0.23	0.27
Depreciation and amortisation	0.36	0.37
Total costs	1.55	1.64

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

Table 6: Phu Kham district drill intersections

Hole No. Depth of hole Orientation	From (m)	Interval (m)	Copper Grade (%)	Gold Grade (g/t)	Silver Grade (g/t)
Phu Kham deposit					
GDD1137 363m -60 to 090	42.0	10.0	0.33	0.17	1
	86.0	8.0	0.81	0.15	1
	188.0	70.0	0.92	0.32	1
GDD1138 423m -60 to 090	178.0	44.0	1.50	0.67	2
	Incl.:				
	192.0	30.0	2.02	0.91	1
	282.0	20.0	0.81	0.42	1
	316.0	52.0	0.48	0.19	1
Nam San deposit					
GDD1139 741m -60 to 000	456.0	70.0	1.09	0.88	1
	550.0	14.0	0.48	0.29	1
GDD1140 976m -60 to 000	158.0	28.0	0.86	0.18	2
	446.0	22.0	0.71	0.08	1
	512.0	28.0	0.42	0.01	1
GDD1142 849m -60 to 000	232.0	8.0	0.46	0.12	0.5
	250.0	16.0	0.64	0.34	2.2
LCT deposit					
LDD010 457m -60 to 180	90.0	9.0	0.01	0.32	8.1
	104.0	18.0	0.06	0.33	6.6
	137.0	12.0	0.01	0.39	3.9
	225.0	6.0	0.16	0.66	9.2
	384.0	7.0	0.22	0.46	3.4
	436.0	5.0	0.05	0.35	0.7

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

Table 7: 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)
HDD0247 195m -60 to 180	18.0	16.0	0.53	2.6
	93.0	4.0	2.12	7.9
HDD0248 198m -60 to 180	20.0	13.0	0.52	2.4
HDD0249 406m -60 to 180	0.0	12.0	2.13	2.5
	23.0	24.0	0.37	2.8
	54.0	21.0	0.49	19.4
	107.0	10.0	1.09	63.6
	130.0	11.0	2.26	49.1
	180.0	10.0	0.30	13.9
	249.0	13.0	0.53	4.7

Hole No. Depth of hole Orientation	From (m)	Interval (m)	Gold Grade (g/t)	Silver Grade (g/t)
HDD0250 392m -60 to 180	30.0	20.0	7.56	38.4
	58.0	5.0	0.72	75.8

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 8: Phonsavan Copper Project; significant drill intersections

Hole No. Depth of hole Orientation	From (m)	Interval (m)	Copper Grade (%)	Gold Grade (g/t)	Silver Grade (g/t)
KTL deposit:					
KDD115 466m -60 to 000	312.0	6.0	0.40	0.11	1.2
	338.0	14.0	0.51	0.10	3.1
KDD117 352m -60 to 000	100.0	8.0	0.56	0.11	2.7
	224.0	4.0	0.73	0.36	8.2
	264.0	14.0	0.64	0.16	2.4
KDD118 326m -60 to 000	38.0	12.0	0.59	0.03	0.3
	88.0	24.0	0.78	0.82	1.6
	128.0	4.0	1.20	0.31	7.0
KDD119 460m -60 to 000	6.0	12.0	1.11	0.40	4.5
	24.0	24.0	0.50	0.23	2.5
KDD120 509m -60 to 000	30.0	18.0	0.69	0.12	3.5
	76.0	11.0	0.37	0.17	3.6
	138.0	14.0	0.95	0.19	3.6
	158.0	10.0	0.32	0.01	1.2
KDD121 277m -60 to 000	60.0	24.0	1.11	0.80	3.3
KDD123 444m -60 to 000	138.0	12.0	0.45	0.17	2.7
KDD125 306m -60 to 000	140.0	4.0	0.43	0.23	16.8
	150.0	4.0	0.38	0.21	1.8
	180.0	8.0	0.40	0.21	3.4
KDD126 407m -60 to 000	308.0	12.0	0.31	0.09	3.3
	330.0	10.0	0.50	0.20	2.0
	390.0	12.0	0.41	0.09	2.2
KDD127 240m -60 to 000	84.0	14.0	0.37	0.20	1.9
	110.0	34.0	2.47	3.17	5.4
	170.0	6.0	0.41	0.67	0.7
KDD128 364m -60 to 000	30.0	20.0	0.43	0.26	3.1
	160.0	12.0	0.47	0.17	2.4
KDD129 139m -60 to 000	30.0	14.0	1.26	0.70	7.7
	70.0	6.0	0.32	0.06	0.8
	90.0	18.0	1.10	0.03	2.9

Hole No. Depth of hole Orientation	From (m)	Interval (m)	Copper Grade (%)	Gold Grade (g/t)	Silver Grade (g/t)
KDD130 216m -60 to 000	114.0	12.0	0.49	0.38	3.5
	136.0	6.0	0.35	0.18	2.0
	156.0	42.0	1.45	0.96	2.8
KDD131 246m -60 to 000	84.0	8.0	0.37	0.20	1.9
	116.0	70.0	1.10	0.51	2.8
	192.0	12.0	1.63	1.22	6.5
KDD132 440m -60 to 000	176.0	8.0	0.34	0.07	2.1
	264.0	16.0	0.47	0.09	2.7
	304.0	8.0	0.44	0.44	2.0
	320.0	8.0	0.61	0.25	2.0
KDD133 100m -60 to 000	46.0	4.0	0.59	0.06	1.5
	62.0	16.0	0.79	0.18	3.3
KDD134 298m -60 to 000	83.0	14.0	0.48	0.14	2.9
	166.0	18.0	0.85	0.10	2.4
KDD135 200m -60 to 000	102.0	8.0	0.40	0.23	2.0
	148.0	20.0	0.85	2.27	2.0
	216.0	8.0	0.33	0.20	1.6
KDD140 186m -60 to 000	78.0	22.0	0.57	0.21	6.1
Tharkhek deposit:					
TKD082 302m -60 to 180	52.0	4.0	0.63	0.29	2.6
	66.0	32.0	0.77	0.18	3.2
	Incl.:				
	80.0	6.0	1.41	0.31	4.6
	106.0	4.0	1.19	0.01	8.5
TKD083 209m -60 to 180	96.0	4.0	-	0.45	0.2
TKD084 204m -60 to 180	100.0	4.0	-	0.49	0.2
TKD094A 306m -60 to 180	86.0	4.0	0.64	0.41	3.1
	132.0	4.0	0.63	0.28	3.3
TKD097 208m -60 to 180	108.0	10.0	0.01	0.81	0.2

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

Forward-Looking Statements

This announcement includes certain “Forward-Looking Statements”. All statements, other than statements of historical fact, included herein, including without limitation, statements regarding financial, production and cost performances, potential mineralisation, 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.

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.