

23 April 2013

Quarterly Report for the three months to 31 March 2013

Production

- On track to achieve 2013 production and cost guidance.
- Phu Kham exceeded budget for the quarter with production of 13,753t copper in concentrate at a C1¹ cash cost of US\$1.28/lb after precious metal credits. Record mining rates allowed earlier access to higher grade ore than scheduled. It is expected that quarterly copper production will rise and cash costs fall through the balance of the year.
- Commissioning of the Phu Kham Increased Recovery Project commenced in March and was well advanced as at the date of this report, several months ahead of schedule and more than US\$10 million under budget.
- Ban Houayxai produced 24,137oz of gold at a C1 cash cost of US\$677/oz after a credit from 122,265oz of silver. Gold and silver production rates are expected to increase and cash costs are expected to fall through higher processing rates, following a reline of the SAG mill in March, and mining of higher grade ore through scheduling the new Ore Reserve.

Pre-development and exploration projects

- **Phonsavan Copper-Gold Project:** New Mineral Resource estimate at KTL with a significant higher-grade Measured category component.
- **Phu Kham district exploration:** Ongoing exploration success at LCT and Nam Ve with extensions to the mineralisation and high-grade zones intersected.
- **Carmen copper-gold deposit:** Porphyry-style mineralisation discovered and initial resource drilling results very encouraging. There is an expectation that this will lead to a significant upgrade in Measured and Indicated category Mineral Resources.
- **Inca de Oro Copper-Gold Project:** extended feasibility study continued with positive indications from initial oxide processing studies and project power options progressing.

Corporate

- At 31 March 2013 the Company had cash of US\$103.8 million, debt of US\$137.0 million (excluding equipment lease facilities) and undrawn facilities of US\$138.0 million.

¹ Brook Hunt convention for the reporting of direct cash costs comprising: mine site, product transportation and freight, treatment and refining charges and marketing costs. Based on payable metal content after by-product credits.

2011 WINNER – SOCIAL/COMMUNITY
PRESENTED BY ETHICAL INVESTOR



2010 and 2011 WINNERS
BEST COMMUNITY DEVELOPMENT INITIATIVE AWARD



2011 LABOUR ORDER CLASS 1 MEDAL
BEST DEVELOPMENT IN A RURAL AREA
PRESENTED BY THE GOVERNMENT OF LAO PDR



Phu Kham Operation, Laos (PanAust 90%)

Introduction

Copper in concentrate production exceeded budget for the March quarter 2013 with 13,753t produced at an average C1 cash cost of US\$1.28/lb (Table 1) after precious metal credits. Cash costs were adversely impacted by: the expensing of major maintenance including mill relines; and lower production levels due to the scheduled processing of low-grade ore during the quarter and the lower scheduled mill operating time.

As foreshadowed in the December quarter 2012 report, a revised mining schedule to address instability of an interim pit wall restricted access to higher-grade ore during the March quarter 2013, causing copper head grade and production to decline quarter on quarter. With the revised mine plan progressing ahead of schedule and the commissioning of the Increased Recovery Project, it is expected that quarterly copper production will rise and cash costs will fall through the balance of the year.

Table 1: Production and cost summary

Phu Kham Operation Production summary (100% equity basis)	Units	3 months to 31 Mar 2013
Copper in concentrate	t	13,753
Gold in concentrate	oz	14,349
Silver in concentrate	oz	96,823
C1 cash cost after precious metal credits ²	US\$/lb Cu	1.28

Further details of the production and cost performances are contained in Table 6 and Table 7 of this report

Production Performance

The section of the open pit interim west wall that in late 2012 showed signs of geotechnical instability has stabilised, largely as result of implementation of a revised mine plan to bring forward pit stages and defer mining of higher grade ore in the pit floor. Quarterly production records for total tonnes mined (9.6Mt) and ore mined (4.1Mt) were achieved, which allowed access to higher grade ore earlier than scheduled.

The Operation processed ore at a rate equivalent to 16.5Mtpa. Combined mill availability and utilisation of 90% for the quarter was limited by planned shutdowns to reline the SAG mill (routine maintenance) and to complete tie-in work for the Increased Recovery Project (one-off shutdowns). C1 cash costs were impacted by the expensing of the major scheduled maintenance (including mill relines) and lower production levels associated with lower scheduled mill operating time.

Progressive commissioning of the Increased Recovery Project commenced with the expanded cleaner flotation circuit commissioned in March. The second filter plant was commissioned in early April and at the time of this report commissioning of the second regrind circuit was well advanced. The total construction cost for the Increased Recovery Project is less than US\$35 million versus the budget of US\$45 million (included a contingency of US\$10 million). Project ramp-up is expected to commence once the second regrind mill comes on-line in the current quarter. With the revised mine plan progressing ahead of schedule and the

² Based on invoiced pricing for gold and silver.

commissioning of the Increased Recovery Project, it is expected that quarterly copper production will rise and cash costs are expected to fall through the balance of the year.

Annualised copper in concentrate production is expected to be in the 65,000t to 70,000t range for approximately twelve to eighteen months from mid-2013. Subsequently annual copper in concentrate production is expected to rise above 70,000t.

Pay-metal in concentrate sales during the quarter totalled 12,473t of copper, 12,958oz of gold and 96,122oz of silver. The average copper, gold and silver prices realised (after hedging) were US\$3.61/lb, US\$1,613/oz and US\$29.6/oz respectively.

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

Introduction

Quarterly production of 24,137oz gold in doré at an average cash cost of US\$677/oz after silver credits (Table 2) was in line with budget. During March, new liners of a different design were installed in the SAG mill and subsequently above design processing rates on harder ores have been achieved. As a result of this initiative and the scheduling of higher grade ore identified in the new Ore Reserve, quarterly gold production rates are expected to increase and cash costs are expected to fall through the balance of the year.

Table 2: Production summary

Ban Houayxai Operation Production summary (100% equity basis)	Units	3 months to 31 Mar 2013
Gold poured	oz	24,137
Silver poured	oz	122,265
C1 cash cost after precious metal credits ³	US\$/oz	677

Further details of the production and June cost performances are contained in Table 6 and Table 8 of this Report.

The Operation processed ore at an annualised rate of 3.9Mt. Combined mill availability and utilisation was just over 89% for the quarter, largely due to a scheduled 4-day shutdown to reline the SAG mill. C1 cash costs were impacted by the expensing of the major scheduled maintenance (including mill reline) and lower production levels associated with lower scheduled mill operating time.

As scheduled, the average gold head grade declined by approximately 10% quarter-on-quarter while the silver grade continued to increase with a greater proportion of higher silver grade transitional ore being processed. Silver production increased quarter-on-quarter by 32%.

Sales during the quarter totalled 25,281oz of gold and 124,656oz of silver. Average realised gold and silver prices (after hedging) were US\$1,631/oz and US\$29.7/oz respectively.

Capital works on the tailings storage facility (approximately US\$3.6 million included in sustaining capital for the quarter) were nearing completion at the end of the March quarter and should allow the next lift to be deferred until 2017.

³ Based on invoiced pricing for silver.

The new Ban Houayxai Ore Reserve (as at 31 December 2012) released to the ASX on 19 February 2013, identified a 22% increase in tonnes and a 25% increase in contained gold. The Mineral Resource model also identified a pervasive high-grade gold-silver zone that is being incorporated into revised mine plans and schedules.

Improved processing rates following the reline of the SAG mill coupled with a revised mine plan (based on the new Ore Reserve estimate) are expected to lead to quarterly gold and silver production levels rising over the balance of the year. A revised life of mine plan is scheduled to be completed mid-year.

In March, the International Cyanide Management Institute announced that the Ban Houayxai Operation had been certified in full compliance with the International Cyanide Management Code.

Also in March, the Ban Houayxai Operation was recognised with the Project Development of the Year Award at the Mines and Money Hong Kong Asia Mining Awards.

The high standard of the Operation was also recognised when it received a five-star rating from Caterpillar Inc. for its mobile maintenance and mobile warehouse facilities. The rating is currently one of only six worldwide and the first in a developing country.

Resource extension and infill drilling continued during the quarter and includes the targeting of deeper primary gold mineralisation that extends beyond the currently designed open-pit shell. Significant results are presented in Table 9 and included:

- HDD315: 13 metres at 7.50g/t gold and 10.1g/t silver from a depth of 103 metres

Outlook

Group Production⁴

Production and cost guidance for the 2013 year remain unchanged. PanAust currently estimates consolidated full year production of 62,000t to 65,000t copper in concentrate, and precious metal production in concentrate and doré of 160,000oz to 175,000oz gold and between 1.1 million and 1.2 million oz of silver. Average C1 cash costs for Phu Kham are expected to be between US\$1.15/lb and US\$1.25/lb while average C1 cash costs at Ban Houayxai are expected to be between US\$550/oz and US\$600/oz after by-product credits.

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 and Chile.

Successful completion of the Ban Houayxai and Phu Kham Upgrade projects in 2012 together with the Increased Recovery Project are the platform for a pipeline of pre-development and exploration

⁴ Cash cost guidance continues to assume by-product credits based on average gold and silver prices for 2013 of US\$1,700/oz and US\$30/oz respectively.

projects that should maintain a strong growth profile for the Company over the medium to long-term.

Phonsavan Copper-Gold Project (PanAust 90%)

A pre-feasibility study is underway at the Phonsavan Copper-Gold Project and is expected to be completed mid-2013. Subject to ongoing success with drilling and evaluations, a full feasibility study is expected to be completed by the end of 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 annual processing capacity of circa seven million tonnes and output of approximately 25,000tpa copper and 20,000ozpa of gold in concentrate. The presence of a higher grade zone of skarn mineralisation has been confirmed by recent drilling and may provide an opportunity for increased metal production rates during the early part of the mine schedule.

A program of infill drilling continued during the quarter at KTL with drill results received during the period presented in Table 10 and include:

KDD238: 58 metres at 1.26% copper, 0.83g/t gold and 3.8g/t silver from 132 metres
 KDD250: 32 metres at 1.34% copper, 0.27g/t gold and 2.5g/t silver from 152 metres
 KDD253: 42 metres at 0.91% copper, 1.31g/t gold and 2.6g/t silver from 152 metres
 KDD258: 30 metres at 1.26% copper, 0.60g/t gold and 3.0g/t silver from 200 metres
 KDD271: 22 metres at 1.45% copper, 1.47g/t gold and 10.5g/t silver from 40 metres

Drill results received to March 2013 were incorporated into a revised Mineral Resource estimate for KTL (Table 3). The higher-grade copper component is evident from the Measured Resource estimate.

Table 3: KTL Mineral Resource estimate (0.25% copper cut-off)

Category	Tonnes (Mt)	Copper Grade (%)	Gold Grade (g/t)	Silver Grade (g/t)
Measured	22	0.65	0.35	2.3
Indicated	62	0.40	0.15	2.3
Total M and I	84	0.47	0.20	2.3
Inferred	9	0.33	0.05	1.5

Notes for the KTL Mineral Resource estimate:

1. The Mineral Resource estimates are reported on a 100% ownership basis. PanAust has a 90% beneficial interest in KTL.
2. The tonnes and grades are stated to a number of significant digits reflecting the confidence of the estimate. Since each number and total is rounded individually, the table may show apparent inconsistencies between the sum of rounded components and the corresponding rounded total.
3. The Mineral Resource estimates for the KTL copper-gold deposit are based on an ordinary kriged model constrained by weathering and mineralisation boundaries and reported at a 0.25% copper cut-off grade.

Scout drilling completed during the quarter at the Phu Noum copper prospect, which is located approximately 4 kilometres southeast of KTL, intersected copper-gold mineralisation. Drill hole logging suggests that the Phu Noum prospect has similar geology to that of KTL, including mineralisation styles (skarn). Drilling results received during the quarter are presented in Table 9.

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

The Phu Kham district is a high priority target for exploration and resource development. Several exploration targets have been identified in a corridor that stretches at least six kilometres from Phu Kham northwest to the LCT deposit, and beyond to the Nam Ve prospect which is seven kilometres northwest of LCT.

LCT

LCT is located approximately six kilometres northwest of the Phu Kham Copper-Gold Operation. The deposit outcrops and extends over a strike length of approximately 450 metres in a northeast-southwest direction, dipping steeply to the northwest and remains open down-dip and along strike.

The deposit comprises two broad zones of poly-metallic mineralisation associated with a silicified breccia complex that hosts a series of porphyritic intrusions. An upper zone is gold and silver rich while the lower zone contains base metals together with gold and silver.

Drilling has extended the limits of known mineralisation and infill drilling has the objective of increasing confidence in the mineral resource classifications.

Drilling results received during the quarter are presented in Table 11 and included:

LDD055:	13 metres at 0.70% copper, 2.14g/t gold and 18.3g/t silver from 230 metres
LDD057D1:	10 metres at 0.62% copper, 1.47g/t gold and 5.3g/t silver from 173 metres, and 8 metres at 1.08% copper, 2.35g/t gold and 5.5g/t silver from 204 metres
LDD059:	2 metres at 1.20% copper, 146.5g/t gold and 46.3g/t silver from 248 metres
LDD062:	4 metres at 0.56% copper, 14.62g/t gold and 18.6g/t silver from 69 metres
LDD067:	19 metres at 1.07% copper, 11.8% lead, 1% zinc, 8.58g/t gold and 58.9g/t silver from 159 metres.

Nam Ve

The Nam Ve gold prospect is located approximately seven kilometres northwest of LCT. Scout drilling targeted a zone of high-grade gold veins that outcrop in the area and has also intersected zones of copper-gold mineralisation. Drilling suggests a zone of mineralisation that trends southeast-northwest over a strike length of 300m to 400m. The mineralisation appears to be similar in style to that encountered at LCT, with separate precious and base metal phases. Geological interpretation is in progress and will guide the next phase of exploration drilling.

Drilling results received during the quarter are presented in Table 11 and included:

VDD008:	7 metres at 2.17g/t gold and 8.1g/t silver from 36 metres, and 8 metres at 0.88% copper, 0.70g/t gold and 6.1g/t silver from 57 metres, and 2 metres at 1.07% copper, 7.54g/t gold and 7.4g/t silver from 75 metres
VDD010:	8 metres at 2.63g/t gold and 3.9g/t silver from 59 metres.

Nam San

The initial phase of resource definition and exploration drilling concluded in early January 2013. Nam San has been drill tested on 100-metre sections with a nominal 70m sample spacing across the main mineralised zone.

Interpretation of the geology and mineralisation controls is continuing and will be incorporated into an inaugural mineral resource estimate.

Inca de Oro Copper-Gold Project, Chile (60.45% PanAust, joint venture with CODELCO)

Work continued on the extended Inca de Oro feasibility study to evaluate the potential for existing oxide and additional sulphide resources to make a material contribution to the project. Initial results from studies on the oxide resource have been encouraging and a second phase of drilling is scheduled for the nearby Artemisa deposit to better define identified higher-grade chalcocite mineralisation.

Power studies are progressing and preliminary proposals to provide power to the project have been received and are being reviewed.

Background

The Inca de Oro sulphide feasibility study, which was completed in the June quarter 2012, concluded that the cost profile after the first five years of production needed to be improved for the Inca de Oro Project to be economically robust.

The joint venture partners agreed that there was significant potential to improve the project through evaluation of the oxide resources at Inca de Oro and the definition and the potential identification and incorporation of higher value mineralisation from nearby deposits into the development plan.

Carmen Copper-Gold Deposit, Chile (100% PanAust)

A program of drilling continued during the quarter at the Carmen deposit which is situated approximately 14 kilometres southwest of Inca de Oro. Porphyry-style mineralisation has been discovered and initial resource drilling results are encouraging. The Company expects that this will lead to a significant upgrade in Measured and Indicated Mineral Resource tonnes and grade. A revised Mineral Resource estimate is scheduled for completion before the end of this year.

Drilling indicates that two episodes of mineralisation are present: an earlier Iron Oxide Copper-Gold (IOCG) phase overprinted by later porphyry-style mineralisation. The deposit remains open to the east and west.

The Carmen deposit is near-surface and, subject to the results from a feasibility study, may support a low strip ratio satellite open-pit to augment Inca de Oro mill feed. PanAust's strategy is to demonstrate that the incorporation into the mining schedule of higher value (through a higher contained metal value and potentially lower strip ratio and process costs) mineralisation from Carmen will materially improve the operating cost profile identified in the feasibility study for the Inca de Oro Project and thereby improve the robustness of that project.

Drill results received during the quarter are presented in Table 12 and included:

CAR090: 105 metres at 0.56% copper, 0.22g/t gold and 2.1g/t silver from 99 metres

CAR095:	40.5 metres at 0.48% copper, 0.16g/t gold and 2.8g/t silver from 52.5 metres
CAR105:	103.5 metres at 0.62% copper, 0.13g/t gold and 2.0g/t silver from 3 metres
CAR108:	90 metres at 0.52% copper, 0.33g/t gold and 2.7g/t silver from 81 metres
MCAR111:	85.5 metres at 0.56% copper, 0.25g/t gold and 3.2g/t silver from 55.5 metres
MCAR114:	78 metres at 0.44% copper, 0.37g/t gold and 2.0g/t silver from surface

Sustainability

Safety

No lost time injuries (LTI) occurred during the March quarter.

Following several serious incidents involving contractor vehicles operating outside PanAust controlled work sites, PanAust will introduce new transport and road safety measures, which will seek to improve contractor performance in this area during the course of 2013.

The LTI frequency rate (LTI's per million man-hours) on a 12-month rolling average basis at 31 March 2013 was 0.10.

Environment

There were no reportable environmental incidents during the March quarter.

In March 2013, the International Cyanide Management Institute announced that the Ban Houayxai Operation had been certified in full compliance with the International Cyanide Management Code.

Local Community Projects, Laos

In the vicinity of Phu Kham, Ban Houayxai and Phonsavan, PanAust continues to advance a number of community development projects with a focus on agriculture, education, health, infrastructure and small business development.

In March 2013, PanAust received the Sustainability Leadership Award at the 2013 Asia Mining Congress. The award acknowledged PanAust's program in Laos that creates and supports business opportunities within the villages closest to the Company's operations. This is the third time that PanAust has received an award at the Asia Mining Congress; the previous two awards were in the category 'Best Community Development Initiative' and recognised PanAust's Livelihood Improvement Program (2010) and PanAust's Technical Trades Training program (2011).

Corporate

At 31 March 2013, the Company had cash of US\$103.8 million, debt of US\$137.0 million, undrawn debt facilities of US\$138.0 million, and mobile equipment lease facilities drawn to a total of US\$79.6 million. During the March quarter, PanAust remitted its 2012 profit tax payment of \$23.7 million to the Government of Laos. The PanAust final dividend payment for the 2012 financial year of A\$20.3 million (excludes dividend paid to shareholders in the form of shares under the Dividend Reinvestment Plan) was paid in early April 2013.

In January 2013, PanAust announced that it has entered into loan agreements for debt facilities totalling US\$275 million. The facilities comprise a four-year US\$250 million revolving debt facility with a syndicate of seven banks led by ANZ Bank, and a US\$25 million working capital facility with ANZ (Laos). The revolving debt facility replaced the previous US\$100 million facility entered into in 2010 which was scheduled to mature in the September quarter 2013.

Copper price exposure

PanAust's copper hedging positions and fixed price agreements as at 31 March 2013 are summarised in Tables 3 and 4.

Table 4: Hedging and fixed price agreements on provisional invoicing

Settlement period	Tonnes	Average Price US\$/lb
June Qtr 2013	8,750	3.75

**Table 5: Strategic hedging:
Copper Put Options**

Settlement period	Tonnes	Average Strike Price US\$/lb	Premium payable US\$
Copper Put Options:			
June half 2013	1,908	2.50	579,810
December half 2013	1,940	2.25	952,162
June half 2014	1,994	2.25	605,668
December half 2014	1,760	2.25	587,080

Copper Swaps:

Settlement period	Tonnes	Average Price US\$/lb
December Qtr 2013	2,125	3.66
June Qtr 2014	2,278	3.18

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 predominantly by put options and to a lesser degree by swaps over the next two years.

As at 31 March 2013, a total of 8,750t (72%) of PanAust's copper sales from shipments for the period from December 2012 to March 2013, that are currently subject to provisional pricing, are covered by hedging and fixed price agreements at an average copper price of US\$3.75/lb.

Gold/Silver price hedging

PanAust currently has no gold or silver hedging in place.

Issued Capital

The issued capital of the Company at 31 March 2013 comprised:

614,407,069	Ordinary fully paid shares
3,220,000	Unlisted options
1,106,370	Unlisted share rights

Proposed 2013 reporting calendar:

- 17 May 2013 Annual General Meeting
- 17 July 2013 June quarter 2013 report
- 22 August 2013 June half 2013 Financial Results
- 29 October 2013 September quarter 2013 report

Dates are provisional and remain subject to confirmation.

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PanAust is a constituent of the S&P/ASX 100 Index.

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Directors

Garry Hounsell Non-executive Chairman

Gary Stafford Managing Director

Nerolie Withnall Non-executive Director

Geoff Handley Non-executive Director

Geoff Billard Non-executive Director

Zezhong Li Non-executive Director

John Crofts Non-executive Director

Ken Pickering Non-executive Director

Annabelle Chaplain Non-executive Director

Attachments

Table 6: Production and sales statistics

Phu Kham Copper-Gold Operation	Units	3 months to 31 Mar 2013
Total material mined	t	9,634,238
Copper-gold ore mined	t	4,117,651
Ore milled	t	4,112,797
Copper head grade	%	0.46
Gold head grade	g/t	0.27
Silver head grade	g/t	2.05
Concentrate produced	dmt	61,531
Copper in concentrate	t	13,753
Gold in concentrate	oz	14,349
Silver in concentrate	oz	96,823
Copper recovery	%	72.0
Concentrate sales	dmt	58,048
Payable copper in concentrate sold	t	12,473
Payable gold in concentrate sold	oz	12,958
Payable silver in concentrate sold	oz	96,122
Average copper price realised (copper revenue recognised / sales) after realised hedging	US\$/lb	3.61
Average gold price realised (gold revenue recognised / sales) after realised hedging	US\$/oz	1,613
Average silver price realised (silver revenue recognised / sales) after realised hedging	US\$/oz	29.6
Ban Houayxai Gold-Silver Operation		
Total material mined	t	1,814,655
Gold-silver ore mined	t	1,090,548
Ore milled	t	968,532
Gold head grade	g/t	0.87
Silver head grade	g/t	6.36
Gold in doré	oz	24,137
Silver in doré	oz	122,265
Gold recovery	%	88.6
Payable gold in doré sold	oz	25,281
Payable silver in doré sold	oz	124,656
Average gold price realised (gold revenue recognised / sales) after realised hedging	US\$/oz	1,631
Average silver price realised (silver revenue recognised / sales) after realised hedging	US\$/oz	29.7

Cumulative data may incorporate post reporting period adjustments to prior periods.

Table 7: Phu Kham Copper-Gold Operation production costs (US\$/lb copper)

	3 months to 31 Mar 2013
Mining cost	0.87
Deduct deferred mining costs	(0.27)
Inventory adjustments	(0.06)
Processing cost	0.85
General and administration	0.26
Total on-site operating costs	1.65
Transport handling and marketing	0.32
Concentrate treatment and refining	0.17
Total off-site operating costs	0.49
Deduct precious metal credits	(0.86)
Total direct operating costs (C1 cash cost)	1.28
Royalty	0.23
Sustaining capital (includes TSF)	0.47
Total cash costs	1.98

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

Table 8: Ban Houayxai Gold-Silver Operation production costs (US\$/oz gold)

	3 months to 31 Mar 2013
Mining cost	297
Deduct deferred mining costs	-
Inventory adjustments	(71)
Processing cost	442
General and administration	144
Total on-site operating costs	812
Total off-site operating costs (freight, refining)	11
Deduct silver credit	(146)
Total direct operating costs (C1 cash cost)	677
Royalty	202
Sustaining capital (includes TSF)	200
Total cash costs	1,079

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

Resource and exploration drilling results

Table 9: Ban Houayxai Gold-Silver Project; significant drill intersections

Hole No. Depth of hole Orientation	Easting WGS84 (m)	Northing WGS84 (m)	From (m)	Interval (m)	Gold grade (g/t)	Silver grade (g/t)
HDD313 487m -60 to 180	255952	2094673	197.0	32.0	0.63	19.7
			237.0	7.0	0.72	7.2
			249.0	16.0	0.47	7.2
			299.0	8.0	0.69	2.5
			312.0	24.0	0.81	5.7
			406.0	65.0	0.58	8.2
HDD314 498m -60 to 180	255966	2094625	285.0	12.0	0.32	3.0
			321.0	5.0	0.42	4.8
			347.0	13.0	1.05	4.7
			396.0	17.0	0.39	4.0
			418.0	33.0	0.90	17.5
HDD315 233m -55 to 170	255813	2094585	39.0	8.0	1.99	7.9
			103.0	13.0	7.50	10.1
			126.0	69.0	0.73	3.7
			200.0	9.0	0.35	6.6
			217.0	5.0	0.43	3.7
HDD316 540m -60 to 180	255801	2094811	401.0	10.0	1.63	2.3
			438.0	28.0	1.87	32.7
			520.0	2.0	4.66	3.3

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 10: Phonsavan Copper-Gold Project; significant drill intersections

Hole No. Depth of hole Orientation	Easting WGS84 (m)	Northing WGS84 (m)	From (m)	Interval (m)	Copper grade (%)	Gold grade (g/t)	Silver grade (g/t)
KTL copper-gold:							
KDD236 278m -60 to 360	320102	2149842	34.0	14.0	0.63	0.09	1.8
			56.0	6.0	0.79	0.02	3.1
KDD238 224m -60 to 360	319004	2149979	84.0	34.0	0.33	0.19	1.6
			132.0	58.0	1.26	0.83	3.8
KDD239 260m -60 to 360	320651	2149987	20.0	26.0	0.53	0.24	2.7
			90.0	4.0	0.49	0.29	1.5
KDD241 81m -60 to 360	319202	2150145	8.0	31.0	0.68	0.41	16.5
			56.0	6.0	0.46	0.12	9.5
KDD242 196m -60 to 360	319500	2150043	20.0	16.0	0.39	0.33	1.2
			44.0	12.0	0.46	0.02	2.9

Hole No. Depth of hole Orientation	Easting WGS84 (m)	Northing WGS84 (m)	From (m)	Interval (m)	Copper grade (%)	Gold grade (g/t)	Silver grade (g/t)
KDD245 266m -60 to 360	320646	2149918	120.0 150.0	18.0 16.0	0.73 0.53	0.28 0.38	1.9 1.5
KDD248 212m -60 to 360	320865	2149817	38.0 102.0 180.0	8.0 8.0 4.0	0.35 1.10 0.83	0.03 0.42 0.23	0.7 7.7 2.9
KDD250 234m -60 to 360	320500	2149846	136.0 152.0	10.0 32.0	0.41 1.34	0.58 0.27	2.6 2.5
KDD251 284m -75 to 360	320654	2149854	104.0 178.0 200.0	24.0 8.0 32.0	0.43 0.90 0.49	0.33 0.67 0.38	3.0 4.4 3.2
KDD252 332m -60 to 360	320803	2149687	40.0 66.0 88.0 160.0 198.0 272.0	4.0 12.0 12.0 8.0 8.0 12.0	0.44 0.45 0.42 0.33 0.90 0.50	0.17 0.07 0.12 0.11 0.21 0.14	2.0 1.9 2.5 2.4 4.5 1.9
KDD253 249m -60 to 360	320551	2149847	44.0 56.0 128.0 152.0 212.0	4.0 6.0 16.0 42.0 4.0	0.38 0.40 0.40 0.91 1.50	0.04 0.20 0.29 1.31 0.78	0.8 2.3 2.7 2.6 4.6
KDD254 229m -60 to 360	320757	2149881	10.0 38.0 66.0 106.0 164.0	6.0 4.0 10.0 4.0 10.0	0.59 0.60 0.40 0.38 0.99	0.01 0.54 0.05 0.62 0.54	0.1 5.9 1.0 5.2 3.4
KDD255 237m -45 to 360	320462	2149873	34.0 94.0 104.0 120.0	8.0 4.0 6.0 66.0	0.38 0.45 0.35 0.81	0.07 0.38 0.28 0.75	1.3 1.9 1.4 2.0
KDD256 299m -55 to 360	320857	2149743	32.0 68.0 180.0	16.0 16.0 8.0	0.66 0.32 0.94	0.06 0.06 0.17	2.0 1.2 3.4
KDD257 318m -70 to 360	320819	2149761	48.0 98.0 187.0 260.0	14.0 6.0 11.0 6.0	0.61 0.58 0.41 1.21	0.03 0.10 0.13 0.95	1.1 2.0 2.1 3.6
KDD258 243m -60 to 360	320498	2149807	200.0 Incl.: 144.0	30.0 6.0	1.26 3.43	0.60 2.09	3.0 9.6
KDD259 177m -60 to 360	320699	2149921	50.0 100.0 124.0	19.0 14.0 28.0	0.47 1.05 0.57	0.58 0.15 0.48	4.8 2.6 2.3

Hole No. Depth of hole Orientation	Easting WGS84 (m)	Northing WGS84 (m)	From (m)	Interval (m)	Copper grade (%)	Gold grade (g/t)	Silver grade (g/t)
KDD260 130m -60 to 360	320265	2149776	30.0 88.0	10.0 8.0	0.30 0.37	0.19 0.05	3.5 1.3
KDD262 X165m -47 to 360	320414	2149971	6.0 78.0	10.0 52.0	0.41 1.12	0.01 0.57	0.2 3.0
KDD263 159m -60 to 360	320302	2149761	34.0 102.0	6.0 6.0	0.42 0.68	0.56 0.05	2.3 1.5
KDD264 99m -60 to 360	319354	2150095	6.0 42.0	16.0 14.0	0.64 0.39	0.10 0.05	2.3 1.0
KDD265 309m -60 to 360	320752	2149757	164.0 244.0	8.0 22.0	0.94 0.43	0.48 0.23	9.8 2.0
KDD266 137m -60 to 360	320352	2149904	92.0 106.0	6.0 8.0	0.67 0.38	0.10 0.14	1.6 1.1
KDD268 123m -60 to 360	320156	2149942	0.0	10.0	1.28	0.35	4.4
KDD269 99m -55 to 360	320853	2149876	66.0	20.0	0.64	0.14	2.7
KDD270 62m -60 to 360	319150	2150139	6.0	16.0	0.37	3.22	3.9
KDD271 111m -60 to 360	319152	2150078	0.0 40.0	14.0 22.0	0.35 1.45	0.21 1.47	0.6 10.5
KDD272 258m -60 to 360	320441	2149835	118.0	30.0	0.72	0.33	1.8
KDD274 276m -60 to 360	320689	2149701	16.0 26.0	4.0 25.0	1.11 0.34	0.45 0.13	3.6 2.6
KDD277 58m -60 to 360	320198	2150053	0.0	8.0	0.89	0.40	3.9
Phu Noum copper-gold prospect							
PNDD006 200m -55 to 360	323765	2147399	0.0	12.0	0.35	0.20	12.4
PNDD007 208m -55 to 360	324203	2147399	46.0	16.0	0.11	0.40	1.4

Hole No. Depth of hole Orientation	Easting WGS84 (m)	Northing WGS84 (m)	From (m)	Interval (m)	Copper grade (%)	Gold grade (g/t)	Silver grade (g/t)
PNDD008 205m -55 to 360	324498	2147608	34.0	4.0	2.05	0.10	21.1

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 11 : Phu Kham district; significant drill intersections

Hole No. Depth of hole Orientation	Easting WGS84 (m)	Northing WGS84 (m)	From (m)	Interval (m)	Copper grade (%)	Gold grade (g/t)	Silver grade (g/t)	
LCT copper-gold deposit:								
LDD054 494m -60 to 178	276607	2093882	35.0	5.0	-	0.52	3.1	
			110.0	6.0	-	0.32	3.6	
			137.0	18.0	-	0.80	2.5	
LDD055 552m -60 to 178	276902	2094566	122.0	5.0	-	0.58	2.6	
			144.0	4.0	-	0.68	3.1	
			160.0	5.0	-	0.37	1.6	
			180.0	63.0	-	0.83	6.2	
			Incl.:					
			230.0	13.0	0.70	2.14	18.3	
			248.0	5.0	-	0.34	2.2	
			258.0	16.0	-	0.32	1.6	
			393.0	4.0	-	0.59	1.9	
			445.0	24.0	-	0.61	3.0	
487.0	37.0	-	0.75	5.9				
LDD056 250m -55 to 178	276745	2094193	30.0	5.0	-	0.45	2.8	
			42.0	30.0	-	0.31	3.7	
			116.0	4.0	-	0.32	4.6	
			204.0	5.0	-	0.31	3.2	
			223.0	6.0	-	0.52	2.1	
			237.0	11.0	-	0.70	3.6	
LDD057 555m -60 to 178	276646	2094162	75.0	7.0	-	0.33	8.1	
			92.0	13.0	-	0.31	15.2	
			110.0	5.0	-	0.45	3.8	
			173.0	25.0	-	0.64	2.3	
			261.0	7.0	-	0.43	0.9	
			353.0	34.0	-	0.57	10.2	
LDD057D1 255m -55 to 178	276646	2094162	92.0	9.0	-	0.31	17.0	
			109.0	5.0	-	0.41	8.4	
			173.0	10.0	0.62	1.47	5.3	
			204.0	8.0	1.08	2.35	5.5	

Hole No. Depth of hole Orientation	Easting WGS84 (m)	Northing WGS84 (m)	From (m)	Interval (m)	Copper grade (%)	Gold grade (g/t)	Silver grade (g/t)	
LDD059 463m -80 to 358	276950	2094422	0.0	80.0	-	1.53	0.9	
			Incl.:					
			0.0	36.0	-	2.20	-	
			99.0	28.0	-	2.38	1.8	
			Incl.:					
			104.0	16.0	-	3.24	-	
			137.0	23.0	-	0.63	2.2	
			168.0	71.0	-	0.65	1.6	
			248.0	2.0	1.20	146.5	46.3	
			260.0	7.0	-	0.64	1.9	
277.0	53.0	-	0.68	2.6				
338.0	14.0	-	0.39	2.3				
LDD060 456m -60 to 178	276810	2094212	1.0	8.0	-	0.61	3.3	
			10.0	5.0	-	0.40	1.6	
			21.0	13.0	-	1.02	3.6	
			224.0	4.0	-	0.47	4.8	
LDD061 272m -60 to 178	276853	2094134	18.0	5.0	-	0.38	6.2	
LDD062 487m -60 to 178	277000	2094492	12.0	5.0	-	0.35	1.3	
			23.0	71.0	0.06	1.49	3.2	
			Incl.:					
			69.0	4.0	0.56	14.62	18.6	
			99.0	9.0	-	0.38	1.1	
404.0	6.0	-	1.51	5.0				
442.0	35.0	0.10	0.58	3.7				
LDD063 353m -60 to 178	276847	2094259	0.0	14.0	-	0.67	1.0	
			21.0	12.0	-	0.32	2.0	
LDD064 440m -60 to 178	276805	2094346	67.0	27.0	-	0.69	11.6	
			111.0	12.0	-	0.41	18.8	
			130.0	4.0	-	0.31	9.1	
			139.0	4.0	-	0.31	4.8	
			152.0	3.0	-	2.65	27.8	
LDD065 516m -60 to 178	276906	2094668	177.0	10.0	-	0.45	1.6	
			203.0	10.0	-	0.49	2.2	
			238.0	6.0	-	0.47	0.9	
			260.0	4.0	-	0.56	0.3	
			388.0	8.0	-	0.33	0.5	
			407.0	7.0	-	1.37	1.2	
LDD066 460m -60 to 178	276905	2094379	6.0	12.0	-	0.69	0.4	
			32.0	10.0	-	0.90	1.0	
			194.0	9.0	-	0.53	1.3	

Hole No. Depth of hole Orientation	Easting WGS84 (m)	Northing WGS84 (m)	From (m)	Interval (m)	Copper grade (%)	Gold grade (g/t)	Silver grade (g/t)	
LDD067 349m -60 to 178	276979	2094587	87.0	11.0	-	0.78	1.9	
			124.0	61.0	0.37	3.20	21.4	
			Incl.:					
			159.0*	19.0	1.07	8.58	58.9	
			197.0	11.0	-	1.16	0.9	
			237.0	6.0	-	0.40	3.6	
			317.0	5.0	-	0.54	2.9	
* Poly-metallic intersection also included 11.8% lead and 1% zinc.								
LDD070 466m -60 to 178	276895	2094460	97.0	8.0	-	0.56	1.5	
			110.0	19.0	-	1.53	1.2	
			137.0	11.0	-	1.78	8.2	
LDD072 412m -60 to 178	276954	2094754	207.0	40.0	-	0.51	2.0	
			253.0	11.0	-	0.93	1.0	
LDD076 333m -60 to 165	276980	2094588	89.0	12.0	-	0.55	4.0	
			110.0	76.0	-	0.68	2.8	
			191	7.0	-	1.03	2.2	
			276.0	21.0	0.42	0.32	6.1	
			442.0	14.0	0.37	0.56	4.3	
LDD077 309m -60 to 178	276861	2094503	139.0	14.0	-	0.73	1.1	
			171.0	4.0	-	0.93	0.5	
			271.0	14.0	-	0.39	2.3	
LDD078 357m -60 to 174	277041	2094674	163.0	12.0	-	0.44	1.6	
			111.0	22.0	-	0.54	5.5	
			273.0	9.0	0.41	0.19	5.5	
LDD079 207m -60 to 178	277051	2094401	0.0	10.0	-	0.58	0.4	
			24.0	4.0	-	0.33	1.0	
LDD080 279m -55 to 170	276887	2094530	126.0	14.0	-	0.72	2.2	
			152.0	6.0	-	0.45	2.4	
			164.0	17.0	0.34	2.05	7.9	
			210.0	13.0	-	0.39	1.5	
			229.0	10.0	-	0.38	1.5	
Nam Ve gold prospect:								
VDD005 219m -60 to 180	270942	2096799	78.0	4.0	-	0.41	4.7	
VDD006 241m -60 to 90	270843	2097029	198.0	4.0	-	1.95	2.9	
VDD008 227m -60 to 270	270995	2096942	36.0	7.0	0.05	2.17	8.1	
			198.0	7.0	0.35	0.40	8.8	
			218.0	5.0	Trace	0.31	0.2	
VDD009 200m -60 to 180	270828	2097099	36.0	2.0	1.3	0.83	25.5	
			57.0	8.0	0.88	0.70	6.1	
			75.0	2.0	1.07	7.54	7.4	

Hole No. Depth of hole Orientation	Easting WGS84 (m)	Northing WGS84 (m)	From (m)	Interval (m)	Copper grade (%)	Gold grade (g/t)	Silver grade (g/t)
VDD010 200m -60 to 180	270945	2097195	59.0	8.0	-	2.63	3.9

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 12: Carmen; significant drill intersections

Hole No. Depth of hole Orientation	Easting (m)	Northing (m)	From (m)	Interval (m)	Copper grade (%)	Gold grade (g/t)	Silver grade (g/t)
CAR090 204m -90 to 0	405592	7030895	15.0 99.0	12.0 105.0	0.31 0.56	0.22 0.22	1.0 2.1
CAR092 402m -60 to 225	405602.	7030782	148.5	19.5	0.35	0.04	1.0
CAR095 400m -60to 320	405538	7030754	7.5 24.0 52.5 148.5	9.0 19.5 40.5 18.0	0.38 0.34 0.48 0.39	0.12 0.11 0.16 0.14	1.7 2.1 2.8 1.5
Intersections for CAR095 are not true width.							
CAR096 400m -60 to 320	405330	7030940	172.5	13.5	0.59	0.07	1.0
CAR105 400m -60 to 270	405425	7031113	3.0 115.5 165.0	103.5 10.5 34.5	0.62 0.47 0.33	0.13 0.09 0.06	2.0 1.0 1.0
CAR108 354m -60 to 270	405505	7031050	3.0 64.5 81.0 178.5 270.0	28.5 9.0 90.0 18.0 9.0	0.33 0.62 0.52 0.52 0.45	0.43 0.14 0.33 0.28 0.17	1.0 3.5 2.7 2.1 1.0
MCAR110 250m -60 to 270	405649	7030840	148.5 180.0 199.5 241.5	9.0 7.5 12.0 18.0	0.59 0.37 0.44 0.35	0.20 0.13 0.20 0.09	1.9 1.4 1.5 1.4
MCAR111 170m -54 to 090	405375	7031050	55.5 150.0	85.5 19.5	0.56 0.44	0.25 0.25	3.2 2.5
MCAR114 150m -90 to 0	405500	7030852	0.0	78.0	0.44	0.37	2.0
MCAR115 200m -60 to 270	405505	7031150	39.0 99.0	9.0 31.5	0.72 0.35	0.12 0.10	1.9 0.5

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.

Notes for drill hole data

Drill directions are nominally orientated for true width intersection of target mineralisation. Mineralised intercepts are approximately true width unless otherwise noted.

Diamond drill core samples submitted for analysis are typically taken at nominal two metre intervals. However, sample boundaries may be adjusted for changes in the oxidation tenor, lithology or core size. All DD samples are collected as half core unless otherwise stated. A field duplicate is obtained for a pre-nominated sample by quarter coring the designated half core sample to be submitted for assay. All DD sampling is undertaken using the triple tube method. Matrix matched standard reference material is submitted every 20 samples. All samples were prepared at ALS Vientiane (Prep-31), analysed for gold by 50g Fire Assay (Au-AA26) at ALS in Vientiane or Brisbane and subject to an aqua regia digest with ICP-AES finish for all other elements at ALS Perth or Brisbane (ME-ICP41).

Competent Person Statements

The data in this report that relate to exploration results and Mineral Resources are based on information reviewed by Mr Daniel Brost who is a Member and Chartered Professional (Geology) of the Australasian Institute of Mining and Metallurgy (MAusIMM CP).

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 and Mineral Resources in the form and context in which they appear.

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.