



PANAUST

29 October 2012

## Quarterly Report for the three months to 30 September 2012

### Production Summary and Outlook

- Phu Kham quarterly production of 14,933t copper at a cash cost of US\$1.22/lb after precious metal credits; cash cost for nine months to 30 September averaged US\$1.09/lb.
- Strong quarterly performance at Ban Houayxai with production of 30,903oz of gold at a cash cost of US\$524/oz after credit from 43,995oz of silver.
- On track to meet consolidated full-year production guidance of approximately 64,000t copper, 135,000oz gold and 650,000oz silver.
- Phu Kham was operating at expanded processing rates at the end of the September quarter following completion of the Phu Kham Upgrade; higher processing rates and a higher average copper head grade are expected to deliver a strong December quarter performance.
- Phu Kham Increased Recovery Project: detailed engineering completed, civil works commenced.

### Pre-development and exploration projects

- **Phonsavan Copper-Gold Project:** Pre-feasibility study underway focusing on the KTL deposit.
- **Phu Kham district exploration:** new intensive exploration and infill drilling program at the LCT deposit commenced in September; inaugural primary resource estimate scheduled for the December quarter 2012.
- **Nam San underground:** Drill program nearing completion; inaugural resource estimate scheduled for the December quarter 2012.
- **Inca de Oro Copper-Gold Project (joint venture with CODELCO):** extended feasibility study underway incorporating the evaluation of processing Inca de Oro oxide mineralisation and a drill assessment of the Artemisa deposit. PanAust also commenced infill drilling of the mineral resource at the nearby (100% owned) Carmen deposit.

### Corporate

- At 30 September 2012 the Company had cash of US\$98.5 million and debt of US\$85.0 million (excluding equipment lease facilities).

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 for the quarter was 14,933t at an average C1 cash cost<sup>1</sup> of US\$1.22/lb (Table 1) after precious metal credits totalling US\$0.89/lb copper.

**Table 1: Production and cost summary**

<b>Phu Kham Operation Production summary (100% equity basis)</b>	<b>Units</b>	<b>3 months to 30 Sep 2012</b>	<b>9 months to 30 Sep 2012</b>
Copper in concentrate	t	<b>14,933</b>	44,614
Gold in concentrate	oz	<b>14,658</b>	43,581
Silver in concentrate	oz	<b>96,185</b>	332,272
C1 cash cost after precious metal credits <sup>2</sup>	US\$/lb Cu	<b>1.22</b>	1.09

Further details of the production and cost performances are contained in Table 5 and Table 6 of this report

### Production Performance

Copper production for the quarter increased versus the June quarter with higher total tonnes processed at a marginally higher average copper head grade. The quarterly cash cost performance reflects the seasonal increase in mining costs caused by wet weather conditions, fleet equipment maintenance change outs during the quarter, and one-off charges associated with the ramp up of the second ball mill during September. Year to date cash costs remain below the mid-point of the guidance range for the full year of US\$1.05 to US\$1.15/lb copper.

The Operation ramped-up to the new post Phu Kham Upgrade design process rates by the end of the quarter. Construction of the Upgrade was completed within the US\$95 million budget.

The Phu Kham Upgrade was designed to expand ore processing rates by 33% to 16 Mtpa (million tonnes per annum). Accordingly, production is scheduled to increase during the December quarter 2012 and cash costs are expected to decline commensurate with higher processing rates and scheduled mining of higher grade ore.

A successful trial to export Phu Kham concentrate via the South China Sea port of Vung Ang in Vietnam was completed during the quarter. Export of concentrate via Vietnam provides an alternative, shorter logistics route for Phu Kham concentrate. The trial also confirmed the port as a potential future export route for the Phonsavan Copper-Gold Project which is currently the subject of a pre-feasibility study.

Pay-metal in concentrate sales during the September quarter totalled 12,978t of copper, 13,914oz of gold and 83,364oz of silver. The average copper, gold and silver prices realised (after hedging) were US\$3.52/lb, US\$1,670/oz and US\$30/oz respectively.

<sup>1</sup> 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.

<sup>2</sup> Based on invoiced pricing for gold and silver.

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

### Introduction

Ban Houayxai recorded a strong performance for its first full quarter of commercial production. The design annual processing rate of 4Mt was achieved during the September quarter and doré containing 30,903oz gold was produced at an average cash cost of US\$524/oz after credits from 43,995oz silver (Table 2).

September was a record month for production at Ban Houayxai with 12,206oz gold produced at a cash cost of US\$392/oz after credits from 23,034oz silver, which augers well for achieving full year guidance cash cost of approximately US\$500/oz.

**Table 2: Production summary**

<b>Ban Houayxai Operation Production summary (100% equity basis)</b>	Units	<b>3 months to 30 Sep 2012</b>	9 months to 30 Sep 2012
Gold poured	oz	<b>30,903</b>	43,567
Silver poured	oz	<b>43,995</b>	54,069
C1 cash cost after precious metal credits <sup>3</sup>		<b>524</b>	512 <sup>4</sup>

Further details of the production and June cost performances are contained in Table 5 and Table 7 of this Report.

The average gold recovery rate for the quarter of 92.5% was in line with expectations for oxide ore. The average silver recovery rate for the quarter of 53.4% is close to the target rate in the mid-to high 50 per cent range for oxide ores. Silver recoveries towards 70% are expected on higher-grade transitional ores which are scheduled to be processed towards the end of the year.

Sales during the September quarter totalled 29,652oz of gold and 37,979oz of silver. Average realised gold and silver prices (after hedging) were US\$1,634/oz and US\$31/oz respectively.

Resource extension and infill drilling continued during the quarter. Significant results are presented in Table 8 and included several high-grade intersections:

- HDD291: 134 metres at 5.5g/t gold and 32g/t silver from a depth of 1 metre, including: 6 metres at 93.2g/t gold and 426g/t silver from a depth of 36 metres
- HDD274: 39 metres at 15.8g/t gold and 18g/t silver from a depth of 291 metres, including: 6 metres at 95.1g/t gold and 102g/t silver from a depth of 300 metres
- HRC293: 70 metres at 7.3g/t gold and 81g/t silver from a depth of 30 metres, including: 5 metres at 91.8g/t gold and 961g/t silver from a depth of 88 metres

<sup>3</sup> Based on invoiced pricing for silver.

<sup>4</sup> Cash cost data is for the period from 1 June 2012, the commencement of commercial production.

## Outlook

### Financial and Production and Guidance<sup>5</sup>

The combined effect of scheduled higher ore grades and increased processing rates following commissioning of the Upgrade Project is expected to result in a sharp increase in copper production at Phu Kham for the December quarter 2012. In addition, the excellent performance of the Ban Houayxai Gold-Silver Operation during September reflects a level of steady state performance at the scheduled grades that should be sustained for the balance of the 2012 year.

PanAust expects to meet full year consolidated production guidance of approximately 64,000t copper, 135,000oz gold and 650,000oz silver. Accordingly, Group consolidated EBITDA is expected to rise sharply during the December half year (versus the June half year) for full year EBITDA of approximately US\$340 million.

### Rising copper production planned for Phu Kham

Copper production at Phu Kham is expected to progressively increase over the next two years following completion of the Phu Kham Upgrade Project this year and the scheduled commissioning of the Increased Recovery Project in the September quarter 2013.

Production is expected to rise to more than 65,000t in 2013 to reflect a full year of expanded throughput rates as a consequence of the Upgrade Project and to more than 70,000t in 2014 as a consequence of the Increased Recovery Project. Gold and silver production is also expected to rise as a consequence of these initiatives.

Construction of the Increased Recovery Project commenced during the quarter. The Project is scheduled to be completed during the September quarter 2013 for an estimated capital cost of US\$45 million (including contingency). The Project is expected to increase annual copper and gold production by approximately 5,000t and 7,500oz respectively, and reduce the C1 cash operating cost by more than 5%.

Plant-scale test work has confirmed that life of mine average recovery rates for both copper and gold would be improved by incorporating a strategy of less selective rougher flotation in combination with additional regrind and cleaner flotation capacity.

### Pre-development and exploration projects

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

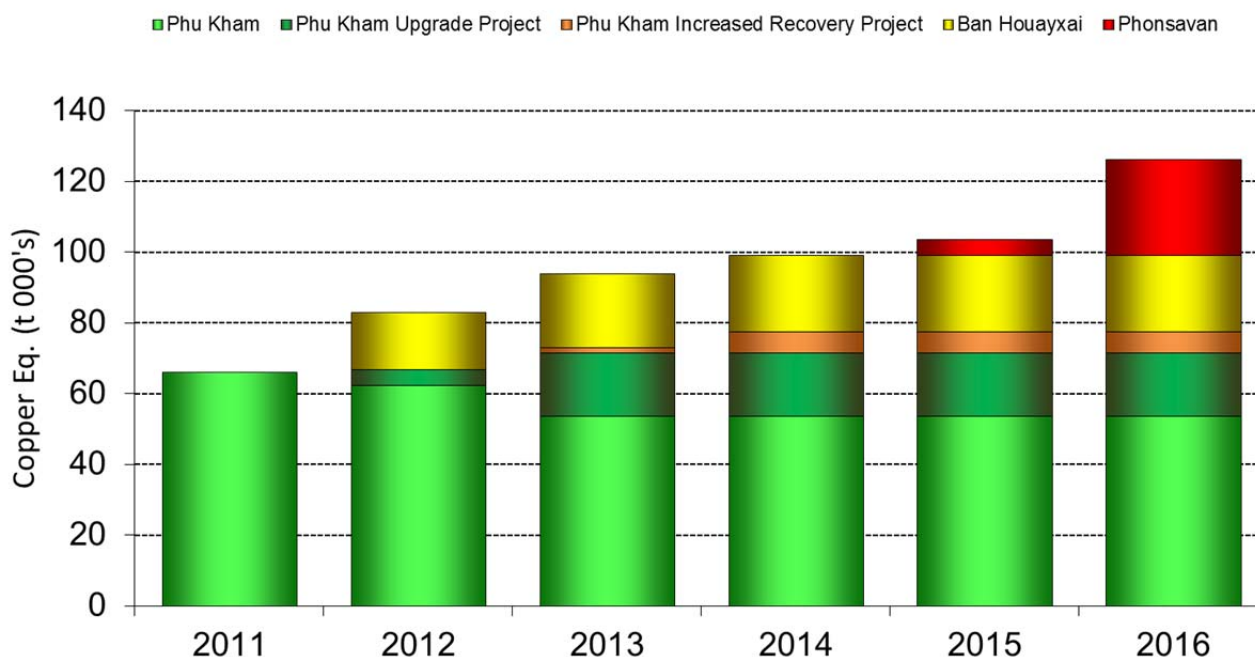
Key components of this strategy are: a commitment to progressing capital efficient organic growth opportunities; the acquisition of producing or pre-development copper assets; and, pursuit of an active exploration and resource development program in Laos and Chile.

Ban Houayxai and the Phu Kham Upgrade and Increased Recovery Projects 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 (Figure 1).

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<sup>5</sup> Cash cost guidance assumes by-product credits based on average gold and silver prices for 2012 of US\$1,600/oz and US\$30/oz respectively.

**Figure 1: Growth pipeline: projects competing for capital**



Notes for chart:

- PanAust Limited share of production.
- Phu Kham: assumes mid-point of expanded annual copper production capacity range of 65kt-70kt (100% equity basis) following commissioning of the Phu Kham Upgrade in the September quarter 2012. Assumes contribution from the Phu Kham Increased Recovery Project from the December quarter 2013 with an incremental annual production increase (100% equity basis) of 5,000t copper and 7,500oz gold.
- Ban Houayxai: assumes target annual production of 100,000oz gold and 700,000oz silver (100% equity basis).
- Actual annual production year by year may vary from these assumptions according to variation in actual production grades scheduled.
- The timing and quantum of the Phonsavan production is based on scoping study parameters and remains subject to feasibility study.
- Copper equivalent tonnes for gold and silver are based on value of metal produced divided by the copper price using the following assumptions: copper US\$3.60/lb, gold US\$1,700/oz, silver US\$30/oz.

**Phonsavan Copper-Gold Project – potentially the next green-field development in Laos (PanAust 90%)**

A pre-feasibility study is underway at the Phonsavan Copper-Gold Project with completion scheduled for the June quarter 2013. The scope of the study is for the development of an open pit mining operation at the KTL copper-gold deposit feeding ore to a conventional milling and flotation process plant with annual processing capacity of between five and seven million tonnes and output of approximately 25,000tpa copper and 20,000ozpa of gold in concentrate over a mine life of approximately 10 years. The presence of a higher grade zone identified from drilling may provide an opportunity for increased metal production rates during the early part of the mine schedule.

Subject to ongoing success with drilling and evaluations, a full feasibility study is expected to be completed in the second half of 2013. The study will consider the potential to add further mineralisation sourced from deposits in the area including the Tharkhek copper-gold and gold deposits. Subject to a successful outcome to the feasibility study and a two-year construction phase, commissioning and production could commence in late 2015.

### **Phu Kham district incorporating Nam San and Long Chieng Track (LCT), 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 6km from Phu Kham northwest to the LCT deposit.

#### Nam San

The latest program of resource definition drilling was largely completed during the quarter with rigs progressively relocated to the LCT deposit. Drilling at Nam San is aimed at defining an inaugural mineral resource in the December quarter 2012.

Drill results received to date have confirmed the geological model of the Nam San deposit and have delineated a continuous zone of mineralisation dipping to the north and with a down dip extension of at least 400 metres. Mineralisation occurs between 300 metres and 500 metres below surface and remains open down dip. Significant intersections from recent drilling are presented in Table 9.

Drilling rates have been slow due to a combination of hole length (plus 1000m) and the broken nature of a weathered granite intersected in the upper part of the drill holes.

A strategy for further evaluation will be formulated once the final results of the current drill program have been evaluated and may include further drilling from surface and/or development of an access decline to continue drilling from underground.

#### LCT – a renewed focus within 6km of Phu Kham

After a pause in drilling during the wet season due to the steep nature of the terrain, activities resumed in September and these will increase as rigs are progressively relocated from Nam San.

Previous drilling at LCT has confirmed the continuity of a broad zone of high-grade copper-gold mineralisation over at least 200 metres of strike within a broader envelope of primary gold and copper-gold mineralisation with a strike length of over 400 metres. Drilling has also intersected poly-metallic mineralisation containing lead and zinc together with the copper and gold.

Drilling results received during the quarter are presented in Table 10 and included:

- LDD034: 42 metres at 1.25g/t gold and 8.5g/t silver from a depth of 77 metres
- LDD038: 21 metres at 1.22g/t gold and 7.9g/t silver from a depth of 453 metres

The LCT deposit may represent an opportunity to develop new process facilities subject to further exploration success. An inaugural mineral resource statement is on schedule for completion during the December quarter 2012.

### **Inca de Oro Copper-Gold Project, Chile (60.2% PanAust<sup>6</sup>)**

Work continued on the extended Inca de Oro feasibility study. The Inca de Oro sulphide feasibility study, which was completed in the June quarter 2012, concluded that the metal output and cost profiles 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 robustness of the project by incorporating the exploitation of oxide resources at Inca de Oro and the definition and incorporation of mineralisation from nearby deposits into the development plan.

Drilling is in progress at the Artemisa copper-gold prospect, five kilometres north of Inca de Oro and part of the joint venture where previous drilling by Codelco intersected broad zones of copper-gold mineralisation. The objective of drilling at Artemisa over the next 6-12 months will be to identify an initial resource estimate for that deposit.

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

During the quarter, PanAust acquired the balance of tenements, which it did not already own, over the Carmen copper-gold deposit, located approximately 14 kilometres southwest of Inca de Oro.

Carmen is a near-surface iron oxide copper-gold (IOCG) mineralised system, which 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.

Drilling is scheduled to commence in November aimed at identifying additional mineral resources and converting the largely inferred mineral resource to measured and indicated categories.

### **Regional Exploration, Laos (90% PanAust)**

PanAust is undertaking regional exploration activities at several prospects within the Company's 2,636km<sup>2</sup> Contract Area in Laos. The Contract Area remains under-explored and is prospective for copper and gold, offering excellent potential for the discovery of significant new resources as the basis for organic growth of the business.

## **Sustainability**

### **Safety**

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

The LTI frequency rate (LTI's per million man-hours) on a 12-month rolling average basis at 30 September 2012 was 0.09.

### **Environment**

There were no reportable environmental incidents during the September quarter.

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<sup>6</sup> PanAust has increased to 91.2% its ownership of PanAust Minera which owns 66% of the Inca de Oro joint venture

## 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.

## Corporate

At 30 September 2012, the Company had cash of US\$98.5 million, debt of US\$85.0 million, undrawn debt facilities of US\$15.0 million, and mobile equipment lease facilities drawn to a total of US\$80.0 million.

The Company's maiden interim dividend of A\$0.03 per ordinary share which was declared on 23 August 2012, was paid to shareholders on 25 October 2012. For those shareholders electing to participate in the Dividend Reinvestment Plan rather than receiving a cash dividend a total of 518,637 ordinary shares were issued at a price of A\$3.17 per share.

## 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 predominantly by put options and to a lesser degree by swaps 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, 10,350t (69%) of PanAust's copper sales from shipments for the period from July to October 2012, that are currently subject to provisional pricing, are covered by hedging and fixed price agreements at an average copper price of US\$3.45/lb.

PanAust's copper hedging positions and fixed price agreements as at the date of this Report are summarised in Tables 3 and 4.

**Table 3: Hedging and fixed price agreements on provisional invoicing**

Settlement period	Tonnes	Average Price US\$/lb
December Qtr 2012	8,350	3.45
March Qtr 2013	2,000	3.48



**Table 4: Strategic hedging:  
Copper Put Options**

Settlement period	Tonnes	Average Strike Price US\$/lb	Premium payable US\$
<b>Copper Put Options:</b>			
December half 2012	3,660	2.25	1,094,542
June half 2013	6,237	2.37	1,533,959
December half 2013	2,985	2.25	1,410,654
June half 2014	2,346	2.25	709,719
December half 2014	2,346	2.25	755,779

**Copper Swaps:**

Settlement period	Tonnes	Average Price US\$/lb
December Qtr 2012	1,000	3.49
March Qtr 2013	3,000	3.81
December Qtr 2013	2,500	3.65
June Qtr 2014	2,680	3.18

**Gold/Silver price hedging**

At the time of this report, PanAust had gold hedging in place through to the 31 December 2012 comprising 10,000oz of forwards (approximately 30% of planned gold sales for November-December 2012) at an average price of US\$1,664/oz, and 18,000oz of put options with a strike price of US\$1,550/oz.

**Issued Capital**

The issued capital of the Company at 30 September 2012 comprised:

605,443,685	Ordinary fully paid shares
4,505,796	Unlisted options
681,005	Unlisted share rights

**Proposed 2013 reporting calendar:**

- 24 January 2013      December quarter 2012 report
- 21 February 2013      2012 Financial Results
- 23 April 2013      March quarter 2013 report
- 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.*

***For further information contact:***

Allan Ryan Investor Relations Manager  
Natalie Whale Communications Manager  
Telephone: (07) 3117 2000  
Facsimile: (07) 3846 4899  
Email: [info@panaust.com.au](mailto:info@panaust.com.au)  
Website: [www.panaust.com.au](http://www.panaust.com.au)

***Registered and principal office***

Level 1, 15 James Street,  
Fortitude Valley, Brisbane  
Qld 4006

***Securities Exchange Listing***

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

***Shareholder enquiries to:***

Computershare Registry Services  
PO Box 523, Brisbane Qld 4001  
Telephone: 1300 552 270  
Facsimile: (07) 3229 9860  
Website: [www.computershare.com.au](http://www.computershare.com.au)

***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

## Attachment

**Table 5: Production and sales statistics**

<b>Phu Kham Copper-Gold Operation</b>	Units	<b>3 months to 30 Sep 2012</b>	<b>9 months to 30 Sep 2012</b>
Total material mined	t	<b>8,901,497</b>	26,169,342
Copper-gold ore mined	t	<b>3,387,947</b>	9,960,710
Ore milled	t	<b>3,668,927</b>	10,670,832
Copper head grade	%	<b>0.56</b>	0.58
Gold head grade	g/t	<b>0.28</b>	0.30
Silver head grade	g/t	<b>2.08</b>	2.57
Concentrate produced	dmt	<b>63,530</b>	187,554
Copper in concentrate	t	<b>14,933</b>	44,614
Gold in concentrate	oz	<b>14,658</b>	43,581
Silver in concentrate	oz	<b>96,185</b>	332,272
Copper recovery	%	<b>71.8</b>	71.9
Concentrate sales	dmt	<b>57,669</b>	184,772
Payable copper in concentrate sold	t	<b>12,978</b>	41,694
Payable gold in concentrate sold	oz	<b>13,914</b>	44,022
Payable silver in concentrate sold	oz	<b>83,364</b>	299,249
Average copper price realised (copper revenue recognised / sales) after realised hedging	US\$/lb	<b>3.52</b>	3.67
Average gold price realised (gold revenue recognised / sales) after realised hedging	US\$/oz	<b>1,670</b>	1,688
Average silver price realised (silver revenue recognised / sales) after realised hedging	US\$/oz	<b>30</b>	32
<b>Ban Houayxai Gold-Silver Operation</b>			
Total material mined	t	<b>2,284,453</b>	3,976,915
Gold-silver ore mined	t	<b>1,414,228</b>	2,311,582
Ore milled	t	<b>1,010,642</b>	1,545,228
Gold head grade	g/t	<b>1.09</b>	1.06
Silver head grade	g/t	<b>3.07</b>	2.55
Gold in doré	oz	<b>30,903</b>	43,567
Silver in doré	oz	<b>43,995</b>	54,069
Gold recovery	%	<b>92.5</b>	92.5
Payable gold in doré sold	oz	<b>29,652</b>	39,204
Payable silver in doré sold	oz	<b>37,979</b>	45,022
Average gold price realised (gold revenue recognised / sales) after realised hedging	US\$/oz	<b>1,634</b>	1,617
Average silver price realised (silver revenue recognised / sales) after realised hedging	US\$/oz	<b>31</b>	31

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

**Table 6: Phu Kham Copper-Gold Operation production costs (US\$/lb copper)**

	3 months to 30 Sep 2012	9 months to 30 Sep 2012
Mining cost	0.79	0.66
Processing cost	0.59	0.62
General and administration	0.25	0.22
<b>Total on-site operating costs</b>	<b>1.63</b>	<b>1.51</b>
Transport handling and marketing	0.32	0.31
Concentrate treatment and refining	0.17	0.16
<b>Total off-site operating costs</b>	<b>0.49</b>	<b>0.47</b>
Deduct precious metal credits	(0.89)	(0.88)
<b>Total direct operating costs (C1 cash cost)</b>	<b>1.22</b>	<b>1.09</b>
Royalty	0.21	0.24
Depreciation and amortisation	0.40	0.39
<b>Total costs</b>	<b>1.83</b>	<b>1.72</b>

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

**Table 7: Ban Houayxai Gold-Silver Operation production costs (US\$/oz gold)**

	3 months to 30 Sep 2012	4 months to 30 Sep 2012
Mining cost	135	127
Processing cost	282	271
General and administration	143	144
<b>Total on-site operating costs</b>	<b>559</b>	<b>542</b>
Total off-site operating costs (freight, refining)	5	6
Deduct silver credit	(40)	(35)
<b>Total direct operating costs (C1 cash cost)</b>	<b>524</b>	<b>512</b>
Royalty	98	98
Depreciation and amortisation	445	428
<b>Total costs</b>	<b>1,067</b>	<b>1,038</b>

Notes: Costs are based on payable gold produced. May include minor computational discrepancies due to rounding. Progressive cost data is for the period of commercial production only: commercial production was declared from 1 June 2012.

## Resource and exploration drilling results

**Table 8: Ban Houayxai Gold-Silver Project; significant drill intersections from resource extension and infill program**

Hole No. Depth of hole Orientation	Easting WGS84 (m)	Northing WGS84 (m)	From (m)	Interval (m)	Gold grade (g/t)	Silver grade (g/t)
<b>HDD087</b> 330m -60 to 180	255797.6	2094606.8	63.0	21.0	1.67	3.2
			104.0	9.0	0.41	1.1
			124.0	23.0	0.73	1.6
			152.0	22.0	0.31	1.4
			186.0	37.0	1.21	10.1
<b>HDD088</b> 360m -60 to 180	256049.4	2094227.4	0.0	51.0	1.21	2.5
			64.0	6.0	0.54	6.5
			155.0	5.0	0.44	4.1
			193.0	5.0	0.94	5.2
			300.0	5.0	0.62	9.3
			312.0	8.0	0.71	14.5
<b>HDD117</b> 397m -60 to 180	255998.7	2094459.0	145.0	7.0	0.32	8.9
			180.0	12.0	4.48	17.6
			212.0	17.0	0.52	20.0
			234.0	38.0	0.90	19.2
<b>HDD178</b> 453m -60 to 180	255750.3	2094746.3	5.0	25.0	0.42	1.49
			222.0	17.0	0.58	1.9
			323.0	42.0	1.56	26.0
<b>HDD242</b> 370m -60 to 180	255953.1	2094133.4	83.0	38.0	0.93	13.1
<b>HRC268</b> 253m -60 to 180	256211.1	2093434.6	14.0	40.0	1.10	9.0
			60.0	12.0	1.14	8.0
<b>HDD270</b> 325m -60 to 180	255947.8	2094221.4	16.0	10.0	0.53	1.1
			139.0	19.0	0.98	12.2
			163.0	10.0	0.54	23.2
			305.0	11.0	0.40	1.2
<b>HDD271</b> 341m -60 to 180	255851.9	2094123.7	116.0	28.0	0.48	3.2
			170.0	5.0	0.33	1.9
<b>HRC272</b> 180m -60 to 180	255801.5	2094155.6	0.0	47.0	0.59	21.6
<b>HDD274</b> 356m -60 to 180	255906.3	2094154.8	53.0	77.0	1.23	39.1
			169.0	7.0	0.53	2.0
			291.0	39.0	15.79	17.8
			Incl.: 300.0	6.0	95.1	102.3
<b>HDD275</b> 173m -60 to 180	255951.2	2093692.8	48.0	37.0	0.77	5.9
			100.0	12.0	0.41	11.0

Hole No. Depth of hole Orientation	Easting WGS84 (m)	Northing WGS84 (m)	From (m)	Interval (m)	Gold grade (g/t)	Silver grade (g/t)
<b>HDD276</b> 225m -60 to 180	256077.8	2094116.7	157.0 219.0	15.0 6.0	0.45 0.55	14.5 3.5
<b>HDD279</b> 202m -60 to 180	256052.6	2093962.0	5.0 46.0 79.0 120.0	33.0 27.0 14.0 17.0	1.32 1.18 0.40 1.17	2.3 19.1 9.6 16.9
<b>HDD280</b> 219m -60 to 180	256002.0	2093971.3	0.0 38.0 79.0	10.0 35.0 35.0	0.31 0.74 0.84	0.7 4.7 9.8
<b>HDD281</b> 255m -60 to 180	256028.9	2093992.0	23.0 66.0 204.0 245.0	6.0 81.0 12.0 9.0	1.07 0.82 0.48 0.62	5.7 8.8 12.5 8.6
<b>HDD282</b> 270m -60 to 180	256197.1	2093504.1	96.0 209.0 236.0	35.0 9.0 9.0	0.58 0.66 2.38	8.3 8.0 25.1
<b>HDD283</b> 189m -60 to 180	255984.5	2093910.9	0.0	95.0	1.19	12.8
<b>HDD285</b> <b>146m</b> -60 to 180	256129.1	2093778.1	3.0 60.0 78.0	6.0 5.0 22.0	2.22 0.52 1.03	2.6 4.0 6.7
<b>HDD286</b> 270m -60 to 180	255985.9	2094138.2	44.0 100.0 120.0 153.0 182.0	34.0 8.0 21.0 8.0 67.0	0.65 0.58 0.33 0.46 1.69	10.1 10.5 5.9 3.6 5.3
<b>HDD287</b> 157m -60 to 180	256085.3	2094324.7	78.0	58.0	0.48	4.5
<b>HDD291</b> 269m -60 to 180	255928.8	2094119.2	1.0 Incl.: 36.0 214.0 247.0	134.0 6.0 26.0 8.0	5.52 93.22 0.65 0.33	32.3 426.3 3.2 2.3
<b>HRC293</b> 325m -60 to 180	255901.4	2094130.5	30.0 Incl.: 88.0 107.0 256.0 274.0 284.0	70.0 5.0 8.0 7.0 4.0 24.0	7.32 91.8 1.06 0.66 0.30 3.96	80.5 960.8 4.6 1.6 1.2 3.7

Hole No. Depth of hole Orientation	Easting WGS84 (m)	Northing WGS84 (m)	From (m)	Interval (m)	Gold grade (g/t)	Silver grade (g/t)
<b>HRC294</b> 221m -60 to 180	256087.6	2094004.7	1.0 80.0 104.0 144.0 160.0 197.0 216.0	13.0 19.0 15.0 8.0 8.0 14.0 5.0	0.48 0.73 1.50 0.33 0.50 0.81 2.31	5.0 2.3 5.3 1.7 1.6 7.6 32.9
<b>HDD295</b> 287m -60 to 180	255805.1	2094195.9	1.0 174.0 191.0	9.0 7.0 10.0	0.39 4.86 0.65	0.9 5.1 9.7
<b>HDD298</b> 255m -60 to 180	256037.6	2094034.2	0.0 25.0 91.0 121.0 137.0 183.0	10.0 39.0 18.0 10.0 11.0 6.0	0.36 0.75 1.53 3.45 0.33 0.45	0.9 6.3 2.9 7.3 2.8 12.1
<b>HDD299</b> 285m -60 to 180	256107.0	2094549.8	142.0 234.0	12.0 12.0	0.36 0.65	1.2 4.8
<b>HDD300</b> 230m -60 to 180	255963.6	2093906.1	1.0 72.0 115.0 185.0	64.0 28.0 4.0 24.0	1.27 0.41 0.32 0.46	7.0 5.0 14.1 1.5
<b>HDD301</b> 274m -60 to 180	256007.6	2094375.5	0.0 112.0 149.0 194.0 213.0 234.0	5.0 23.0 10.0 14.0 14.0 32.0	0.51 0.61 0.42 1.24 1.36 0.48	0.8 15.2 9.5 38.2 12.5 12.0
<b>HDD305</b> 180m -60 to 180	256039.3	2094316.3	36.0 101.0 165.0	17.0 45.0 9.0	1.44 0.43 0.31	73.2 6.6 7.4
<b>HDD308</b> 218m -60 to 180	255850.3	2094490.4	3.0 117.0	102.0 18.0	1.09 0.45	14.3 5.9
<b>HDD310</b> 148m -60 to 180	256050.3	2093474.7	2.0	29.0	0.46	0.8

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 9: Nam San copper-gold; 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)
<b>GDD1148D1</b> 1435m -75 to 180	280335.6	2090412.1	982.0 996.0	4.0 22.0	0.67 0.40	0.50 0.17	1.5 1.5

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)
<b>GDD1148D2</b> 1150m -75 to 180	280335.6	2090412.1	960.0 980.0	14.0 52.0	0.45 0.73	0.26 0.37	1.3 1.7
<b>GDD1148D3</b> 1131m -75 to 180	280335.6	2090412.1	978.0 1,004.0	20.0 32.0	0.51 0.71	0.20 0.26	1.5 1.6
<b>GDD1151</b> 531m -60 to 180	279842.7	2090157.9	46.0 402.0	12.0 12.0	0.58 0.50	0.17 0.15	2.0 2.0
<b>GDD1154</b> 494m -60 to 180	279954.3	2090044.6	232.0 362.0	6.0 18.0	0.98 0.38	0.56 0.66	2.0 1.0
<b>GDD1156</b> 523m -85 to 180	279954.1	2090044.6	310.0 376.0 430.0	8.0 32.0 14.0	0.79 0.67 0.69	1.08 0.30 0.06	7.3 1.7 1.4

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 10: 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)
<b>LCT copper-gold prospect:</b>							
<b>LDD034</b> 496m -60 to 178	276839.4	2094356	56.0 77.0	12.0 42.0	0.11 0.05	0.74 1.25	8.7 8.5
<b>LDD036</b> <b>530m</b> <b>-60 to 178</b>	276748.8	2094240	454.0 467.0	7.0 9.0	0.04 0.01	0.85 0.97	1.2 1.0
<b>LDD037</b> 225m -60 to 180	277568.6	2096111	32.0	12.0	0.01	0.92	1.1
<b>LDD038</b> 510m -60 to 178	276703.9	2094218	71.0 453.0	14.0 21.0	0.01 0.05	0.31 1.22	11.0 7.9

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.

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.*