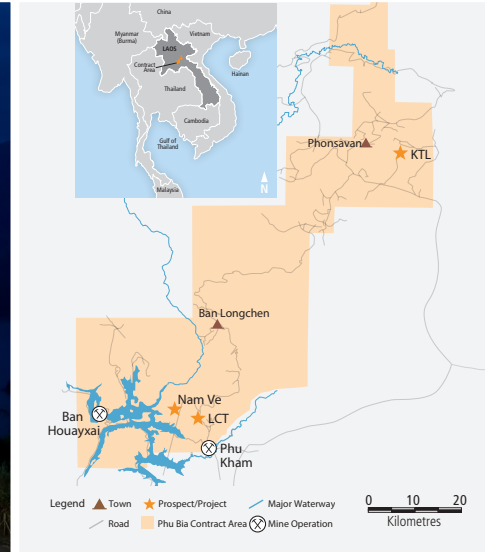


BAN HOUAYXAI GOLD-SILVER OPERATION, LAOS



The Ban Houayxai Gold-Silver Operation is located 25 kilometres west of the Phu Kham Copper-Gold Operation in the Phu Bia Contract Area, Laos. The Operation, which commenced production in May 2012, comprises an open-pit mine feeding ore to a conventional four million tonnes (Mt) per annum carbon in leach (CIL) process plant.

2016 PRODUCTION

Outstanding production and cost performances were achieved at Ban Houayxai in 2016 with new annual records set for gold production, open-pit material mined and C1¹ costs:

- The Operation produced 127,825 ounces (oz) of gold (2015: 119,152oz) and 1,101,393oz of silver.
- The Ban Houayxai process plant set new records for availability and operating time; the plant milled 4.7Mt.
- First quartile C1 cost after precious metal credits of US\$450/oz gold, and an all-in sustaining cost (AISCⁱⁱ) of US\$694/oz achieved

Sales for the year totalled 127,825oz gold in doré and 1,101,393oz silver in doré.

The Ban Houayxai Ore Reserve currently supports a mine life of approximately five years from the end of 2016.

AWARD WINNING OPERATIONS

Following the 2016 external audits at Ban Houayxai and Phu Kham, both Operations retained their Caterpillar 5-star contamination control rating for their mobile maintenance workshops and supply warehouses. PanAust's facilities are two of eight owner-operated mines globally to receive the maximum 5-star rating and the first in a developing country. It is the fourth year running that the mobile warehouses at Phu Kham and Ban Houayxai have achieved this rating, and the third for Phu Kham's mobile maintenance.

The rating follows a robust and challenging audit process. An accredited Caterpillar representative carries out in-depth checks of the facilities and employees' contamination control knowledge during the course of several days. The 5-star rating also recognises PanAust's efforts in driving a high-performance culture. PanAust attests that contamination control makes a safer working environment and contributes to operational excellence through equipment reliability improvements, major component life extensions, and maintenance costs reductions.

In March 2013, PanAust received the Project Development of the Year Award from Mines and Money Hong Kong Asia Mining Awards, in recognition of outstanding project management for the development of the Ban Houayxai Gold-Silver Operation.

For more information, visit www.panaust.com.au.w

Photo captions: (L-R)

The process plant at PanAust's Ban Houayxai Gold-Silver Operation in Laos

A map of PanAust's Phu Bia Contract Area in Laos; Ban Houayxai Gold-Silver is in the south of the Contract Area

ⁱ Brook Hunt convention for the reporting of direct costs comprising: mine site, product transportation and freight, treatment and refining charges and marketing costs; based on payable metal content after by-product credits
ⁱⁱ AISC reported are the C1 cost plus royalties, allocated corporate support charges, shared services costs, sustaining capital; lease principal and interest charges; and deferred mining and inventory adjustments capitalised