

**ASX ANNOUNCEMENT**

10 November 2008

**Guidance for 2009**

**Copper production to increase to over 65,000 tonnes and  
cash costs to fall to less than US\$0.90/lb**

PanAust Limited is pleased to announce that, following preparation of a detailed mine schedule based on the 2008 ore reserve estimate, forecast copper production for 2009 has increased by nearly 10% to over 65,000 tonnes contained in 260,000 dry metric tonnes (dmt) of concentrate. Gold production, in concentrate and in doré from the heap leach, is expected to be between 70,000oz and 80,000oz and silver production to be between 400,000oz and 600,000oz.

A further review of operating costs has been conducted to, in part, reflect some of the recent falls in oil and steel prices and therefore lower input costs for diesel fuel and grinding media. It is now expected that cash costs (C1) after precious metal credits<sup>i</sup> will be below US\$0.90/lb for 2009.

During the last two weeks of October the Phu Kham Copper-Gold Operation attained design production levels of copper concentrate equivalent to 260,000 dmt on an annualised basis (i.e. at forecast levels for 2009). Copper recoveries continue to ramp-up ahead of the predicted schedule, averaging 71% during this same period versus a budget of 63% and a steady state expectation of 73% on transitional ores. Once steady state concentrate production levels and copper recoveries have stabilised at sustainable levels the emphasis will move to ramp-up of precious metal recoveries. Gold recoveries averaged 44% during the latter part of October versus the feasibility study life-of-mine estimate of 49%.

For further information contact:

Mr Gary Stafford  
Managing Director  
PanAust Limited

Mr Allan Ryan  
Investor Relations Manager

Tel: +61 7 3117 2000

Email: [info@panaust.com.au](mailto:info@panaust.com.au)

Website: [www.panaust.com.au](http://www.panaust.com.au)

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 forecast cash flows and potential mineralisation, resources and reserves, 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.*

<sup>i</sup> Gold and silver prices US\$700/oz and US\$12/oz respectively