

**ASX ANNOUNCEMENT**  
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**PAN AUSTRALIAN**  
**RESOURCES LIMITED**

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**Concentrate production commences at the  
Phu Kham Copper-Gold Operation, Laos**

Pan Australian is pleased to announce that concentrate production and ramp-up of steady state production has commenced at its flagship Phu Kham Copper-Gold Operation in Laos (Figure 1).

Pan Australian anticipates making its first sale of concentrate by the end of May through the delivery of 5,000 tonnes of concentrate to its storage facility ahead of shipment to a Chinese smelter.

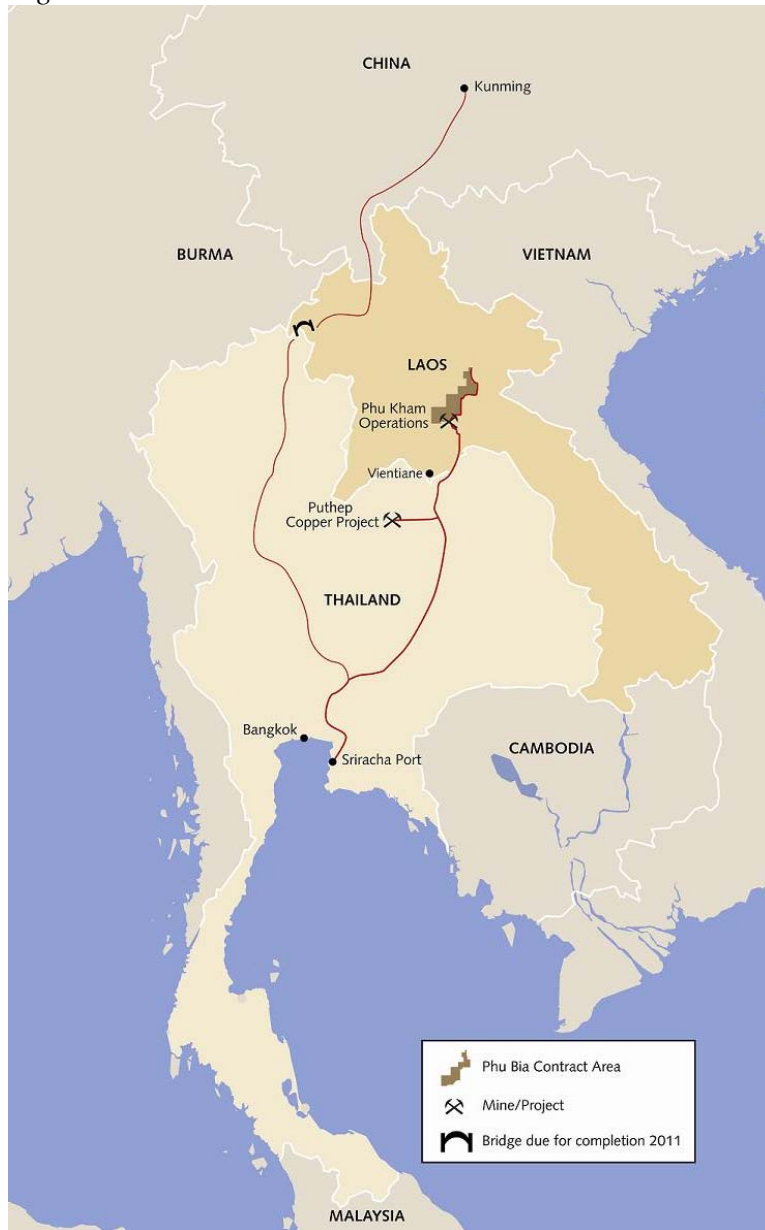
Trucking of concentrate to Sriracha Harbour in Thailand will commence in early May. Sriracha Harbour is the largest deep sea port in Thailand and is located approximately 120 kilometres south of Bangkok. The Company has storage facilities at Sriracha for 25,000 tonnes of concentrate.



*Bubbles of copper-gold concentrate being floated in a rougher cell*

The Company has an initial spot sale contract covering 40,000 tonnes of concentrate for delivery this year at a combined TC/RC (treatment and refining charge) of less than US\$0.03/lb with no price participation and a four-month quotational period. This very attractive pricing reflects the tight market for copper concentrate.

Figure 1



### Ramp-up of steady-state production

Commissioning trials at Phu Kham have been completed and the Operation has commenced ramp-up to initial Phase 1 design production rates based on an ore feed rate of 12 million tonnes per annum (Mtpa) through to the end of 2009. The Phase 2 expansion to be implemented in 2009 will increase that rate to 16Mtpa from 2010 onwards.

A conservative ramp-up schedule has been assumed for both ore feed through the process plant (six months) and metallurgical recovery (12 months). Accordingly, the following production rates have been scheduled through the period 2008 to 2010 (and thereafter at the 2010 rate):

- 2008 – 30,000 tonnes of copper, 27,000 ounces of gold and 300,000 ounces of silver in concentrate from 7.5 million tonnes of ore;
- 2009 – 60,000 tonnes of copper, 60,000 ounces of gold and 600,000 ounces of silver in concentrate from 12 million tonnes of ore;
- 2010 onwards – 75,000 tonnes of copper, 65,000 ounces of gold and 600,000 ounces of silver in concentrate from 16 million tonnes of ore.

In addition, it is anticipated that the associated Phu Kham Heap Leach Gold Operation will produce a 30,000 ounces of gold in 2008 reducing to approximately 20,000 ounces of gold in 2009 as oxide gold reserves are depleted.

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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 production and future expansion plans and development objectives of Pan Australian Resources 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.*