

ASX ANNOUNCEMENT

2 September 2008

Phu Kham Copper-Gold Process Plant Achieves Nameplate Capacity

- **One Million Tonnes of Ore Processed During August**

PanAust Limited is pleased to announce that during August, the Phu Kham Copper-Gold Operation in Laos achieved nameplate capacity with over one million tonnes of ore processed.

PanAust Managing Director, Mr Gary Stafford, said that he was delighted with the progress that has been made with the ramp-up of operations at Phu Kham.

“Achieving the design throughput rate after only four months of operation is a reflection of the quality of PanAust’s site management team and the design of the process plant.

“This outstanding result was achieved in one of the wettest wet seasons on record in Laos and underscores the success of wet season preparations and the Operation’s capacity to perform under adverse weather conditions.

“The focus will now turn to maintaining design feed rates and optimising copper recovery for various ore types.”

Concentrate production for August was nearly 14,700 dry metric tonnes (dmt) containing approximately 3,800t of copper, 4,000oz of gold and 25,000oz of silver. This brings the total concentrate production from the start of production in late April to the end of August to over 37,500dmt containing approximately 9,000t of copper, 11,900oz of gold and 59,000oz of silver with a value of over US\$70 million¹ after smelter deductions.

The third shipment of copper-gold concentrate (approximately 10,000dmt) is scheduled to leave Sriracha Harbour, Thailand in early September.

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¹ Metal price assumptions of US\$3.40/lb copper, US\$830/oz gold and US\$13.5/oz silver