

ASX ANNOUNCEMENT

23 January 2013

Refinancing of Bank Debt Facilities

PanAust Limited is pleased to announce that it has entered into loan agreements for debt facilities totalling US\$275 million. The facilities comprise a US\$250 million revolving debt facility with a syndicate of seven banks led by ANZ Bank, and a US\$25 million working capital facility with ANZ (Laos).

The revolving debt facility syndicate comprises ANZ (mandated lead arranger and book runner), Barclays, Commonwealth Bank of Australia, ICBC, Investec, Natixis and Sumitomo Mitsui. The four year facility has an interest rate of US Libor plus 3.5% (plus political risk insurance).

The facilities are secured by the Company's assets in Laos and will be used for general corporate purposes including funding of working capital and operating expenses, and to fund capital expenditure on growth projects in Laos. Drawdown on the facilities is subject to conditions precedent usual for facilities of this type.

The revolving debt facility replaces the previous US\$100 million facility entered into in 2010 which was scheduled to mature in the September quarter 2013.

Working Capital and Funding Growth

Commenting on the transaction, PanAust's Managing Director, Gary Stafford, said the expanded facilities will contribute to the growth of the Company's business in Laos and also provide PanAust with more flexibility to grow the business in Chile.

"Improved terms include a reduced margin and the absence of the requirement for mandatory long term hedging. The terms reflect PanAust's strong financial position and cash flow together with operational and product diversity, provided by a second producing asset in the Ban Houayxai Gold-Silver Operation which was commissioned in 2012.

"The retention of four banks from the previous finance syndicate and the addition of three new international banks to the syndicate further underscore PanAust's appeal to the debt markets," Mr Stafford said.

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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 performances, potential mineralisation, resources and reserves, 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.