27 July 2009

Quarterly Report for the three months ending 30 June 2009

Phu Kham Copper-Gold Operation, Laos

- Production for the June quarter was 47,282t of concentrate containing 10,760t copper for total first-half 2009 production of 23,910t copper. In addition, by-products comprising 10,523oz gold and 86,136oz silver were produced during the June quarter
- Production in July has recovered strongly after June quarter performance was adversely impacted by unplanned process plant stoppages, lower recoveries and lower ore processing rates
- Recovery rates have improved significantly in July and increased copper production is anticipated through the second half of 2009 as further recovery improvement initiatives are implemented together with scheduled higher ore processing rates and higher ore grades
- Cash costs (C1 - net of by-product credits) peaked during the June quarter for an average of US$1.15/lb reflecting lower copper production for an average of US$0.91/lb for the first-half of 2009
- 2009 production guidance has been revised to 60,000t of copper (±5%) in concentrate at an average cash cost of US$0.85/lb

Growth Projects

Ban Houayxai Gold-Silver Project, Laos

- Final phase of feasibility study drilling 88% complete; drilling results have extended the known mineralisation along strike to the northwest and south, and at depth

Puthep Copper Project, Thailand

- 33% increase in Measured/Indicated Mineral Resource

Corporate

- Successful Equity Offer raises A$143 million through an institutional placement, and institutional and retail entitlement offers
- Goldman Sachs JBWere US$80 million subordinated debt facility retired
- Guangdong Rising Assets Management agree to invest approximately US$170 million to acquire a 19.9% interest in PanAust
- Through the improvement in the price of copper and the delivery of concentrate since the start of 2009, the Company's 31 December 2008 provisional pricing liability of approximately US$39.6 million was extinguished by mid-July
- Phu Kham Operations made a quarterly operating cash flow contribution of US$26.0 million[1] before a provisional pricing adjustment of US$16 million carried forward from the second-half of 2008

[1] Unaudited financial result

PanAust Limited ABN 17 011 065 160
Level 2, 99 Melbourne Street • PO Box 3468 • South Brisbane Qld 4101
Phone +61 (0) 7 3117 2000 • Facsimile +61 (0) 7 3846 4899
info@panaust.com.au • www.panaust.com.au

Phu Kham Operations, Laos

Introduction

On 13 July 2009, the Operations achieved a milestone of 12-months of continuous operation without a Lost Time Injury. However, the uninterrupted LTI-free run ended later in July.

June quarterly production was adversely impacted by low metallurgical recoveries as the Phu Kham Copper-Gold Operation mined and processed complex transitional ores; low ore processing rates as a response to the complex metallurgy; and, an unplanned shutdown caused by a SAG mill motor failure. June quarterly and half-year production and cost statistics are summarised in Table 1 below and presented in detail in Tables 3 and 4 in the Attachment.

Significant progress has been made in July, with a significant improvement in metallurgical recoveries and throughput, and higher grade profile for the next six months enabling copper production guidance for 2009 to target circa 60,000t.

Production performance

Table 1: June quarter 2009 production and cost summary

Phu Kham Operations ***Production summary***	Units	**Jun Qtr 2009**	Year to date 2009
Copper in concentrate	t	**10,760**	23,910
Gold in concentrate	oz	**8,363**	18,809
Silver in concentrate	oz	**86,136**	173,158
Gold in doré (Heap Leach)	oz	**2,160**	8,050
C1 cash cost after precious metal credits[2]	US$/lb Cu	**1.15**	0.91

Further details of the production and cost performances are contained in Table 3 and Table 4 of the Appendix

The quantity of ore processed was 25% below budget for the June quarter. For much of the quarter plant throughput continued to be limited to an annualised rate of around 11Mtpa to allow longer residence time in the flotation plant in an effort to improve metallurgical recovery. Plant throughput was also adversely impacted by an unplanned shutdown following a breakdown of one of the SAG mill motors. Down time was limited to 11 days and a planned seven-day shutdown for a SAG mill reline was brought forward from July resulting in a net four days of unscheduled downtime. The next major shutdown is planned for January 2010.

Copper recovery rates for the quarter averaged approximately 56% reflecting the variability and mix of transitional ore types processed. Over the course of the next four months access to additional ore mining areas as the open pit is expanded will provide flexibility for feeding the plant with a blended ore product that is expected to lead to less variability in head grade and improved copper recovery.

A program of recovery improvement initiatives has been implemented including revised operating practices, plant scale trials of alternative reagents that show improved recoveries in laboratory tests, regrind circuit optimisation and increase flotation capacity through the conversion of conditioning tanks to flotation cells (planned for the current September quarter).

[2] Based on invoiced pricing for gold and silver

Use of alternative reagents has already resulted in improved copper recovery rates and further trials are being undertaken.

Benefits from these initiatives have already started to be realised with the average copper recovery rate for July to date increasing to average over 61% and over 64% during the last six days.

Planned copper production for 2009 is skewed to the December half; a reflection of higher recovery rates as improvement initiatives are implemented, together with a higher average throughput rate and higher scheduled December quarter copper head grade. Concentrate production for 2009 (estimated within a ±5% range) is expected to be approximately 240,000t containing 60,000t of copper, 50,000oz to 60,000oz[3] of gold and 300,000oz to 400,000oz of silver.

Sales for the June quarter totalled 52,312dmt of copper-gold concentrate and 1,913oz of heap leach gold doré. The average copper price achieved for the quarter was US$2.01/lb.

Cost performance

The average cash cost (C1) for the June quarter of US$1.15/lb of copper after precious metal credits[4] was higher than that for the previous quarter largely reflecting the impact of lower copper production and lower gold credits as gold doré production from the seasonal heap leach gold operation was suspended (refer to Table 4 in the Attachment). The average cash cost for the half-year to 30 June 2009 was US$0.91/lb of copper after precious metal credits (Table 4). Cash costs in 2009 are expected to average approximately US$0.85/lb copper after precious metals credits[5] (previous guidance US$0.80/lb). This positions Phu Kham as a competitive copper producer in global terms.

Southern infill drilling

A program of infill drilling commenced within the southern pit area of the Phu Kham copper-gold deposit where a significant volume of above 0.3% copper cut-off mineralisation lies beneath the current open pit design limit. Three drilling rigs are being utilised and at the end of the quarter the program was approximately 45% complete.

A similar program completed in 2007 in the north pit area led to an extension of the open pit and consequent increase in the ore reserve through improved definition of the mineralised system.

Expansion of Phu Kham Copper-Gold Operation

PanAust plans to expand the Phu Kham process plant by 33% to a processing rate of 16Mtpa. The purpose of the expansion is to enable the Operation to achieve annual copper production levels of above 70,000t during periods of lower grade ore feed, mid-mine life.

Ore reserve and scheduling work, adopting a life-of-mine copper price of US$1.75/lb, has previously identified opportunities to maintain annual copper production under the current 12Mtpa mill configuration at between 60,000t and 70,000t until the end of 2011. On this basis, the timing for a decision on the expansion will be deferred until the end of 2010 with conceptual construction and commissioning to be completed in the first half of 2012.

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[3] Assumes 15,000oz of gold in doré from the Phu Kham Heap Leach Operation
[4] Based on invoiced pricing for gold and silver
[5] Assumes a gold price of US$900/oz and a silver price of US$12.5/oz

Growth Strategy - back on track

PanAust is committed to progressing capital efficient organic growth opportunities (within the Company's Contract Area in Laos and at Puthep in Thailand), supported by the Company's flagship Phu Kham Operation.

With the injection of funds from the successful Equity Offer and expected conclusion of the cornerstone investment by GRAM during the current September quarter, PanAust expects to be in a strong position to proceed with its plans for growth backed by a strengthened balance sheet and access to free cash flow from Phu Kham.

Ban Houayxai Gold-Silver Project, Laos

The final program of feasibility study drilling continued during the quarter. Five drill rigs were in operation and by the end of the quarter the drilling program was 88% complete. The aim of the 14,000-metre program is to increase the size of the oxide-transitional Mineral Resource and to increase the proportion of mineralisation in the Measured and Indicated categories. Significant drill results are summarised in Table 5 of the Attachment. Drilling has extended the zone of mineralisation to the south and to the north and west as well as to depths of over 100m vertically into deeper primary mineralisation.

PanAust is undertaking a feasibility study focused on the initial open-pit mining and carbon-in-leach (CIL) processing of the outcropping oxide and near-surface transitional mineralisation. The feasibility study work is scheduled to be completed at the end of 2009 for reporting in the March quarter 2010.

The Ban Houayxai pre-feasibility study completed in October 2008 identified the potential to develop a low-cost operation with annual production of 100,000oz to 130,000oz of gold and 700,000oz to 800,000oz of silver over a minimum six-year mine life.

These levels of production would result in PanAust's total annual gold production rising from the 2009 forecast of between 50,000oz and 60,000oz, to approximately 190,000oz and silver production to rise over 1,000,000oz. If PanAust commits to the development of Ban Houayxai, the Company's ratio of revenue from gold and silver to revenue from copper would be approximately 40:60 (assumes US$1.75/lb copper, US$900/oz gold and US$12.5/oz silver).

Puthep Copper Project, Thailand[6]

The feasibility study resource estimate (Table 2) was announced in May and incorporates data from the 59,000-metre infill drilling program which was completed in October 2008. This program was successful in meeting the objective of elevating the confidence of the mineral resource and resulted in an increase of 33% to 546,000t for estimated in-situ contained copper in the combined Measured and Indicated categories (0.3% copper cut-off grade).

The resource estimate has been adopted for feasibility mining and engineering studies. The joint venture goal is to complete a feasibility study to support the development of an operation with a capacity to process 10-12 million tonnes of ore per annum to produce 50,000 tonnes of copper (for a PanAust equity share of at least 30,000 tonnes).

[6] PanAust will earn a 51% interest in Puthep upon completing a feasibility study on the PUT1 deposit and has further options to acquire a total 60% to 70% interest

The feasibility is expected to be largely completed during 2009 for announcement in 2010. The Project's environmental and social impacts studies are being progressed in parallel with the feasibility study and are expected to be completed in 2010.

Table 2: PUT 1 Mineral Resources as at 1 May 2009 (100% equity basis), Puthep Copper Project, Thailand

0.3% copper cut-off grade	Tonnes (Mt)	Copper Grade (%)	Gold Grade (g/t)	Copper In-Situ (000 t)	Gold In-Situ (000 oz)
Measured	41	0.58	0.08	240	102
Indicated	60	0.51	0.10	306	186
Inferred	60	0.50	0.10	300	183
Total	**160**	**0.53**	**0.09**	**846**	**471**

The Mineral Resource estimates are based on an ordinary kriged model constrained by weathering and geological boundaries.

Exploration

Regional exploration activities in Laos during the quarter comprised reconnaissance work and soil sampling at various prospects within the Company's 2,636 sq km Contract Area, which is highly prospective and offers significant organic growth potential.

At the end of the September quarter, drilling programs will commence over several of these prospects as the wet season ends thereby coinciding with more favourable field conditions. In addition, Phu Kham resource extension drilling programs will commence after the current southern infill program is completed.

Sustainability

Safety

The excellent safety performance at the Phu Kham Operations continued during the quarter. On 13 July 2009, the Operations achieved a milestone of 12 months continuous operation without an LTI. This was an outstanding result for a new operation in a developing country with only a formative mining and safety culture, and is a credit to the workforce and leadership of the Operation's management team. The unbroken LTI-free run ended in late July with the occurrence of an LTI on 23 July 2009.

Across all Group activities (Phu Kham Operations, Project Implementation and Logistics, External Affairs and Exploration), PanAust's 12-month rolling LTI frequency rate at the end of June was a very low 0.58 LTI's per million man-hours. This is in stark contrast to the Australian open-cut metalliferous mining industry performance[7] of 1.8 LTI's per million man hours during 2007-'08.

Environment

There were no reportable environmental incidents during the quarter.

[7] Minerals Council of Australia Quarter 4, 2007-'08 Safety Survey Report

Local Community Projects, Laos

PanAust continues to advance a number of community development projects in the neighbouring villages of Nam Mo and Nam Gnone in the areas of education, infrastructure and business development.

Activities for the quarter included:

- Training in market garden techniques for the local farmers to further develop vegetable production and sales to the Phu Kham accommodation camp
- Purchasing of rice from a number of local suppliers is being trialled
- Vaccination of livestock in the neighbouring villages was completed

Corporate Information

Financial performance (refer to Appendix 5B)

Phu Kham Operations contributed, before provisional pricing adjustments, approximately US$26.0 million to Group operating cash flow in the June 2009 quarter and US$48.7 million in the first half of 2009. Cash flow in the first half of 2009 was adversely impacted by provisional pricing adjustments carried forward from the second half of 2008 of US$16.0 million and US$32.5 million for the June quarter and first half of 2009 respectively (see below for further detail).

Group operating cash flow was also adversely impacted at the corporate level by a one-off redemption fee of US$5.0 million associated with the repayment of the US$80 million subordinated debt facility during the June quarter.

Provisional pricing adjustment

PanAust sells concentrate to copper traders and smelters on the industry standard basis whereby, at the time of shipment, the buyer makes a provisional payment to PanAust, by way of a provisional invoice, for the contained copper in the shipment at the prevailing London Metal Exchange (LME) copper price. Final settlement of the payment is based on the average LME copper price over a subsequent pricing period specified by the terms of the sale contract. That pricing period can be a few days or one month and can commence up to three months after the shipment date. The period commencing on the date of shipment to the end of the pricing period is known as the Quotational Period (QP).

This pricing methodology is normal for the industry and the QP often reflects the average time to elapse between the date of shipment and the date of processing by the smelter at final destination.

At 31 December 2008, the Company recognised a provisional pricing liability of approximately US$39.6 million on sales of copper in concentrate. Through the subsequent improvement in the price of copper and the delivery of concentrate since the start of 2009, the US$39.6 million liability was extinguished by mid-July. Accordingly, there will be a substantial improvement in free cash flow from Phu Kham through to the end of 2009.

During 2009, PanAust's has entered into several copper forward swap contracts to cover potential exposure to adverse copper price fluctuations through the QP for each shipment. The

Company's policy is to hedge the provisional copper price received for 50-90% of the tonnes delivered in every shipment.

At 30 June 2009, PanAust had concentrate sales containing 8,771t of payable copper subject to price adjustment on final invoicing at an average provisional invoice price of US$2.05/lb copper. For these sales, PanAust has hedging in place for a total of 7,000t copper at an average price of US$2.02/lb.

Cash, debt and funding

At 30 June 2009, the Company had cash of US$36.1 million and debt of US$195.1 million (excludes equipment lease facilities).

During the quarter, PanAust successfully raised approximately A$143 million through an Equity Offer at an issue price of A$0.28 per share. The Offer comprised an institutional placement and non-renounceable entitlements offer. The Equity Offer was underwritten by ABN AMRO Morgans Corporate Limited. Funds were used to retire the entire US$80 million subordinated debt facility with Goldman Sachs JBWere. During the quarter shareholders approved the issuance of 75 million options to Goldman Sachs JBWere associated with the extension of the subordinated debt facility, which will result in a US$14.1 million non-cash charge to income in the accounts for the first half of 2009.

In addition to the Equity Offer, Guangdong Rising Assets Management (GRAM) plans to invest a total of approximately A$216 million (approximately US$170 million) through a cornerstone investment of A$180 million at A$0.395 per share and top up investment of A$35 million at A$0.28 per share to acquire a 19.9% interest in PanAust. The investment by GRAM has received Foreign Investment Review Board (FIRB) approval and was approved by PanAust shareholders at an Extraordinary General Meeting held on 8 July 2009. GRAM has also received Chinese provincial government and foreign exchange approvals for the investment and has progressed submissions required for the final two Chinese regulatory approvals required before it can proceed with its investment in PanAust.

The construction of the Phu Kham Copper-Gold Operation was funded through a Facilities Agreement with a syndicate of banks. The Company is close to agreement with the banks on revised commercial terms for the debt facilities (currently US$195.1 million) and recognition of final completion (a process whereby Phu Kham's actual operating performance is compared against prescribed benchmarks). Recognition of final completion effectively marks the transition of the facility from a construction facility to a term facility.

As part of the negotiation with the banks, PanAust has agreed to reduce the debt by US$100 million upon receipt of the investment funds from GRAM.

Issued capital

The issued capital of the Company at 30 June 2009 comprised:

2,348,521,565	Ordinary fully paid shares
36,944,000	Unlisted options
21,192,253	Unlisted share rights

Directors

Garry Hounsell	Non-executive Chairman
Gary Stafford	Managing Director
Geoff Billard	Non-executive Director
Andrew Daley	Non-executive Director
Geoff Handley	Non-executive Director
Nerolie Withnall	Non-executive Director

Registered & principal office

PO Box 3468, South Brisbane Qld 4101

Telephone: (07) 3117 2000

Facsimile: (07) 3846 4899

Securities Exchange Listing

Australian Securities Exchange Code: PNA

Indexation

PanAust is a constituent of the S&P/ASX 200 Index.

For further information contact:

Gary Stafford	Managing Director
Allan Ryan	Investor Relations Manager
Natalie Whale	Communications Manager

PanAust Limited

PO Box 3468, South Brisbane Qld 4101

Telephone: (07) 3117 2000

Facsimile: (07) 3846 4899

Email: info@panaust.com.au

Website: www.panaust.com.au

Shareholder enquiries to:

Computershare Registry Services

PO Box 523, Brisbane Qld 4001

Telephone: 1300 552 270

Facsimile: (07) 3229 9860

Website: www.computershare.com.au

Competent Person Statement

The data in this report that relates to Exploration Results and Mineral Resources are based on information reviewed by Mr Dan Brost who is a Member of the Australasian Institute of Mining and Metallurgy. Mr Brost is a full time employee of PanAust Limited.

Mr Brost has sufficient experience relevant to the styles of mineralisation and type of deposits under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves.

Mr Brost consents to the inclusion in the report of the Exploration Results and Mineral Resources in the form and context in which they appear.

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 production and cost performances, potential mineralisation, mineral resources, 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.

Attachment

Table 3: Production statistics

Phu Kham Operations	Units	**Jun Qtr 2009**	YTD 2009
Total material mined	t	**6,076,293**	12,667,246
Copper-gold ore mined	t	**2,360,891**	5,197,813
Copper head grade	%	**0.74**	0.75
Gold head grade	g/t	**0.32**	0.32
Silver head grade	g/t	**3.61**	3.55
Ore milled	t	**2,604,620**	5,393,906
Concentrate produced	dmt	**47,282**	98,926
Copper in concentrate	t	**10,760**	23,910
Gold in concentrate	oz	**8,363**	18,809
Silver in concentrate	oz	**86,136**	173,158
Gold in doré (Heap Leach)	oz	**2,160**	8,050
Copper recovery	%	**55.9**	59.1

Table 4: Production costs

Phu Kham copper production costs (US$/lb copper):	**June Qtr 2009**	YTD 2009
Mining cost	0.40	0.32
Processing cost	0.45	0.52
General & Administration	0.23	0.18
Total on-site operating costs	**1.08**	**1.02**
Transport handling and marketing	0.27	0.28
Concentrate treatment and refining	0.17	0.19
Total off-site operating costs	**0.44**	**0.47**
Precious metal credits	(0.37)	(0.57)
Total direct operating costs (C1 cash cost)	**1.15**	**0.91**
Royalty	0.11	0.09
Depreciation and amortisation	0.37	0.38
Total costs	**1.63**	**1.38**
Average copper price received	2.01	1.77

Notes: Costs are based on payable copper in concentrate produced

Table 5: Selected Ban Houayxai drill results

Hole No. Depth of hole	From (m)	Interval (m)	Gold Grade (g/t)	Silver Grade (g/t)	Comments
HDD074	0.0	4.0	0.5	2.4	
102.7m	25.7	5.3	0.4	3.5	
	36.0	24.0	0.8	10.4	
HDD081	4.0	12.6	1.2	14.2	
98.6m	24.0	44.0	0.5	11.0	
HDD083	51.0	27.0	0.9	7.1	
171m	84.0	11.0	0.5	2.8	
HDD084	0.0	10.0	0.6	2.1	
225m	62.0	39.0	0.9	9.4	
	106.0	22.7	1.8	10.9	
	136.6	19.4	0.4	7.0	
	162.0	16.0	0.4	4.7	
	183.0	11.0	0.7	11.5	
HDD089	81.0	4.0	0.3	1.4	
212.9m	89.5	50.5	0.5	2.0	
HDD090	0.0	14.0	0.5	3.4	
197m	36.0	8.0	5.5	51.2	
	57.0	39.0	2.8	6.4	
	102.0	7.0	0.4	1.7	
	121.0	2.0	1.1	2.9	
	133.0	7.0	0.7	2.8	
	145.0	9.0	0.4	3.8	
	164.0	8.0	1.9	10.6	
HDD091	1.6	24.4	0.4	3.7	
238m	35.0	87.0	1.1	6.0	
	141.0	57.0	1.6	17.2	
HDD092	0.0	2.0	0.5	2.3	
183.5	10.0	2.0	5.9	161.0	
	33.0	5.0	0.4	2.2	
	57.0	13.0	6.1	7.6	
	105.0	4.0	0.7	1.3	
	117.0	12.0	0.4	1.3	
HDD094 114m	0.0	17.0	3.3	27.5	
HRC272 68m	0.0	47.0	0.6	21.6	
HRC283 60m	38.0	22.0	1.0	16.7	Hole ended in >0.5g/t gold and > 3.0g/t silver mineralisation
HRC286	0.0	29.0	1.1	4.2	Hole ended in >0.5g/t gold and > 1.0g/t silver mineralisation
85m	81.0	4.0	0.4	1.6	
HRC290	0.0	7.0	0.5	1.1	Hole ended in >0.7g/t gold and > 3.0g/t silver mineralisation
60m	25.0	35.0	0.9	7.0	
HRC293 84m	30.0	54.0	0.8	12.3	Drill hole ended in 0.3g/t gold mineralisation
HRC312	23.0	22.0	0.9	4.0	
94m	55.0	3.0	1.0	9.4	

Intersection grades are down-hole length weighted calculations using a cut-off grade of 0.3g/t gold.
Grades are rounded to one decimal place. All holes were drilled at -60deg to an azimuth of 180deg.

Rule 5.3

Appendix 5B

Mining exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98.

Name of entity

PANAUST LIMITED

ACN or ARBN	Quarter ended ("current quarter")
011 065 160	JUNE 2009

Consolidated statement of cash flows

	Cash flows related to operating activities	Current quarter US$'000	Year to date (6 months) US$'000
1.1	Receipts from product sales and related debtors	57,070	131,306
1.2	Payments for (a) exploration and evaluation	(1,609)	(3,199)
	(b) development/tailings storage	(3,494)	(10,119)
	(c) production	(44,109)	(104,978)
	(d) administration	(9,505)	(15,548)
1.3	Dividends received	-	-
1.4	Interest and other items of a similar nature received	33	48
1.5	Interest and other costs of finance paid	(9,819)	(14,648)
1.6	Income taxes paid	-	-
1.7	Other deposits	-	-
	Net Operating Cash Flows	(11,433)	(17,139)
	Cash flows related to investing activities		
1.8	Payment for purchases of: (a)prospects	-	-
	(b)equity investments	(596)	(2,614)
	(c) other fixed assets	(4,865)	(12,119)
1.9	Proceeds from sale of: (a)prospects	-	-
	(b)equity investments	-	-
	(c)other fixed assets	-	-
1.10	Loans to other entities	-	-
1.11	Loans repaid by other entities	-	-
1.12	Other (provide details if material)	-	-
	Net investing cash flows	(5,461)	(14,733)
1.13	Total operating and investing cash flows (carried forward)	(16,894)	(31,872)

1.13	Total operating and investing cash flows (brought forward)	(16,894)	(31,872)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	116,214	146,687
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	(83,024)	(84,954)
1.18	Dividends paid	-	-
1.19	Other	-	-
	Net financing cash flows	33,190	61,732
	Net increase (decrease) in cash held	16,296	29,861
1.20	Cash at beginning of quarter/year to date	19,810	6,245
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	**Cash at end of quarter**	36,106	36,106

Payments to directors of the entity and associates of the directors Payments to related entities of the entity and associates of the related entities

		Current quarter US$'000
1.23	Aggregate amount of payments to the parties included in item 1.2	420
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

Amounts represented in 1.8(b) relate to the exploration & evaluation of the Puthep deposit.

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

The Subordinated Debt Facility held with GSJBWere was fully repaid in June 2009. Amounts recorded under section 1.17 represent the repayment of this facility as well as the quarterly finance lease payments of US$1.930 million.

2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

Financing facilities available

Add notes as necessary for an understanding of the position.

		Amount available US$'000	Amount used US$'000
3.1	(a) Loan facilities (b) Equipment Lease Facilities	$195,100 $42,708	$195,100 $42,708
3.2	Credit standby arrangements	-	-

Estimated cash outflows for next quarter

		US$'000
4.1	Exploration and evaluation	2,500
4.2	Development	3,950
	Total	**6,450**

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.		Current quarter US$'000	Previous quarter US$'000
5.1	Cash on hand and at bank	13,606	15,580
5.2	Deposits at call	22,500	4,230
5.3	Bank overdraft	-	-
5.4	Other (provide details)	-	-
	Total: cash at end of quarter (item 1.22)	36,106	19,810

Changes in interests in mining tenements

		Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1	Interests in mining tenements relinquished, reduced or lapsed		NIL		
6.2	Interests in mining tenements acquired or increased		NIL		

Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

		Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1	**Preference +securities** *(description)*				
7.2	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3	**+Ordinary securities**	2,348,521,565	2,348,521,565	NA	NA
7.4	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	508,809,866 75,000,000 1,000,000 157,169	508,809,866 75,000,000 1,000,000 157,169	28 cents 10.5 cents 32 cents Nil	28 cents 10.5 cents 32 cents Nil
7.5	**+Convertible debt securities** *(description)*				
7.6	Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7	**Options/Share Rights** *(description and conversion factor)*	58,136,253	0	*Exercise price* See Attached	*Expiry date* See Attached
7.8	Issued during quarter	110,029,837	0	See Attached	See Attached
7.9	Exercised during quarter	76,157,169	0	As per 7.4	As per 7.4
7.10	Expired during quarter	12,525,179	0		
7.11	**Debentures** *(totals only)*				
7.12	**Unsecured notes** *(totals only)*				

Compliance statement

1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Law or other standards acceptable to ASX (see note 4).

2 This statement does give a true and fair view of the matters disclosed.

P. M. Scarr

Sign here: .... Date: 27 July 2009
(Company Secretary)

Print name: .....Paul Scarr...

Notes

1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.

2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.

3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.

4 The definitions in, and provisions of, *AASB 1022: Accounting for Extractive Industries* and *AASB 1026: Statement of Cash Flows* apply to this report.

5 **Accounting Standards** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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PANAUST LIMITED
QUARTERLY REPORT
FOR THE QUARTER ENDING 30 JUNE 2009

ISSUED OPTIONS AT 30 JUNE 2009

NUMBER ISSUED	EXERCISE PRICE CENTS	EXPIRY DATE
8,050,000	38.00	29/02/2012
750,000	81.00	07/10/2012
1,980,000	88.00	31/12/2012
4,400,000	88.00	31/12/2012
364,000	78.00	30/06/2013
4,200,000	30.50	31/12/2013
17,200,000	42.12	31/12/2013
36,944,000		

ISSUED EMPLOYEE SHARE RIGHTS AT 30 JUNE 2009

NUMBER ISSUED	EXERCISE PRICE CENTS	EXPIRY DATE
Performance Conditions		
1,875,000	NIL	31/03/2017
1,970,000	NIL	31/12/2017
214,000	NIL	30/06/2018
202,703	NIL	30/09/2018
11,600,000	NIL	31/12/2018
No Performance Conditions		
5,330,550	NIL	Various 2017 -2019
21,192,253		