



ASX ANNOUNCEMENT
2 July 2010

Incident Report

Panaust wishes to advise of two security incidents, probably related, between the morning of Wednesday 30 June and the early afternoon of Thursday 1 July. There is no evidence that the Company has been specifically targeted in either incident.

On Wednesday, two exploration personnel, an employee and a contractor, were the victims of an attack by a number of armed assailants in a remote location in Laos. They both suffered non life threatening gunshot wounds and are in a stable condition in hospital. They are expected to make a full recovery.

Both personnel are Lao nationals and were travelling by four-wheel drive vehicle along a mountainous access track to deliver supplies to an exploration camp, currently under care and maintenance and located north of the Company's former heap leach operation, which is currently being decommissioned. It is uncertain if the attack was an isolated random act or attempted robbery. Vehicle movements through this area have been temporarily suspended.

On Thursday, there was a second, and probably related, security incident when a contractor working on the outer perimeter of the heap leach pad area received a superficial gunshot wound. It is thought likely that the perpetrators of Wednesday's incident, in the course of avoiding apprehension, were responsible. All areas where employees are located have been declared safe and secure by law enforcement agencies.

There has been no disruption or threat to the nearby Phu Kham Copper-Gold Operation.

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