



Explorer optimistic about gold prospects

MINERAL exploration company Auzex Resources plans to target significant new gold prospects and projects, with gold prices tipped to continue to surge

Auzex executive chairman John Lawton said the company had been encouraged by the potential of its gold exploration tenements in northern New South Wales, North Queensland and on the west coast of New Zealand's South Island.

Mr Lawton said Auzex was also pursuing a gold project overseas, "which, if successful, would significantly change the company's business".

"Gold is a commodity in a bull market, and it is a commodity in which Auzex has considerable corporate and operational expertise," Mr Lawton said.

He is a former executive director of leading gold producer Ross Mining.

Auzex has four gold prospects at its New Zealand project, with plans to start drilling this year at the Lyell project area near the town of Reefton.

"Results from mapping and sampling of underground workings have confirmed the potential of the area to contain a substantial gold resource," Mr Lawton said.

Gold targets near Glen Innes in northern NSW are in the Glen Elgin region and include the Seven Hills and Klondyke gold prospects, the latter on the site of an old gold mine which operated until the late 19th century.

"Recent geological mapping has confirmed the presence at Klondyke of key geological criteria commonly associated with granite-hosted gold deposits," Mr Lawton said.

Auzex is also exploring gold prospects at its Running Brook tenements in North Queensland.

Mr Lawton said gold prices were on the rise amid the global financial market turmoil and demand for the metal was expected to increase because supply had been declining.

"As Australia moves closer to the recession that other major economies have fallen into, the likelihood is that gold will prove even more appealing," he said.

The most advanced mineral project is the Kingsgate project, which is also near Glen Innes.

A recently completed feasibility study forecast the Kingsgate mine would generate \$445 million during its first five years, recovering high-quality silica, molybdenum and bismuth.

Mr Lawton said Auzex was also developing the potentially world-class Khartoum tin project in North Queensland.

"The challenging economic climate, particularly for the resources sector, presents opportunities for companies such as Auzex which have good projects and no debt," he said.