Quarterly Report

Three months ending 31 December 2005

New discovery - significant tin, tungsten and molybdenum mineralisation intersected at Stanthorpe Project.

Rock chip and soil sampling from the Galala Project has returned exceptional results.

Drilling confirms high-grade molybdenum mineralisation at Kingsgate Project.

Highlights

Stanthorpe Project, Queensland/New South Wales border (Auzex 100%)

- Broad zones of tungsten, tin and molybdenum mineralisation have been intersected and successfully tested up to 80 metres depth.
- A total of 30 reverse circulation ("RC") holes have been completed totalling 1,839m.
- This drill program is the first undertaken in the area. Results indicate the mineralised system is very large and extends beyond the previously identified 700m by 550m tin and tungsten soil anomaly.
- The mineralisation confirmed by drilling covers a 0.5km^2 area within a series of linear zones of greisen alteration and quartz veins (0.5m to 14m width). Combined tin, tungsten and molybdenum grades have been returned between 0.1-0.3% (gold equivalent 1 -3 grams per tonne (g/t) gold) within a wider halo of tin and tungsten mineralisation up to 0.1% combined metal (0.8 g/t gold equivalent). This mineralisation remains open in all directions and at depth.
- Preliminary metallurgical test work has been carried out on a composite sample from the RC drilling program. Results are highly encouraging, indicating gravity separation provides clean tin and tungsten concentrates with at least 70% recovery, and molybdenum (MoS_2) can be readily recovered by simple flotation methods.

- The style of mineralisation has many similarities to tin porphyry systems elsewhere in the world. The East Kemptville tin mine (mined by Rio between 1987 and 1993) in Canada containing 56 million grading 0.16% tin (90,000 tonnes) is similar to equivalent metal grades of drill intercepts so far encountered at the Stanthorpe Project.
- The Company is targeting a minimum 50,000 tonnes of combined tin, tungsten and molybdenum within the 1.5 km^2 project area.
- An extended drill program to further test the extent and nature of the mineralisation, together with limited diamond drilling, commenced on 10 January 2006. Results are expected during February.

Lyndbrook Project, North Queensland (Auzex 100%)

- Results from an extensive soil and rock chip sampling program at the **Galala Range** prospect have been exceptional.
- A flat-lying sheeted vein system within a 3.8km^2 area of zoned molybdenum-tungsten-gold mineralisation suggests the presence of a major un-roofed mineralised granite at shallow depth.
- The average tungsten value for all rock chip samples collected was 0.96% tungsten, equivalent to 11.5 g/t gold.
- 159 of the 284 rock chip samples analysed for W to date assayed >0.1% W, and 57 of the samples assayed >1% W up to a maximum value of 19.1% W. 95 of the 440 rock chip Au results assayed >0.1 g/t Au, and 17 assayed >1 g/t Au with a maximum value of 3.5 g/t Au.
- Soil sample results highlight the multi-metal character of the mineralisation discovered at the prospect. Galala contains a central core of molybdenum mineralisation, with soil values up to 185 ppm molybdenum, surrounded by a tungsten zone with values up to 2.47% W (equivalent to 30 g/t gold) and an outer margin of gold, with values up to 6 g/t gold.
- The mineral zonation and gold - bismuth association is diagnostic of a large granite metal system similar to the nearby Kidston Gold Mine (produced 3.5 Moz gold over 17 years of operations with final closure in 2001), which was used in the modeling for the selection of this area.
- A high priority drill program to test 13 targets, based on a detailed prospectivity analysis, is planned to begin in May, 2006.
- Regional reconnaissance of the Lyndbrook Project area (more than 1300 km^2) suggests the **Burlington** prospect may also contain gold, silver, molybdenum and tungsten values similar to the Galala Range prospect.

Kingsgate Project, New South Wales (Auzex 100%)
Previously reported on 22 November, 2005

- First phase drill program (545 metres of diamond core) confirms high-grade molybdenum mineralisation.

- High grade molybdenum intersected in quartz pipes (‘pipe’) with associated disseminated halo mineralisation.
- Very high grade molybdenum up to 1.57% (equivalent to 49 grams per tonne gold) intersected in pipe.
- High grade molybdenum up to 0.3% (equivalent to 9 grams per tonne gold (g/t Au)) intersected within a halo of disseminated granite-hosted mineralisation.
- The Company is targeting 10,000 – 20,000 tonnes molybdenum from a swarm of 94 pipes within the 2.5km^2 project area.
- A second drill program is planned for the March Quarter 2006.

Summary of Exploration Activities

Auzex identified 59 targets in three Project Areas in North Queensland, New England and the West Coast of New Zealand from prospectivity modelling prior to listing on the Australian Stock Exchange (ASX) in October 2005. It was considered that 12 targets had the potential to host mineral resources and four were ready for drill assessment based on the Company's exploration at that time. Exploration expenditure of $659,000 during the quarter has significantly advanced four of our initial target areas, advancing two prospects to the stage where detailed drilling is warranted. Nine prospects have been advanced to the stage where drilling is warranted and 11 new prospects have been identified where detailed exploration is warranted.

Stanthorpe Project

Lode Hill Program

Over 48,000 tonnes of alluvial and eluvial tin have been produced historically from the Stanthorpe area. The Lode Hill and Sugarloaf prospects are part of a large zone of intensely altered granite, defined by anomalous tungsten ("W") and tin ("Sn") soil and rock geochemistry (Figure 1). The objective of the exploration during the quarter was to collect detailed 3D geological data to assess the depth extent and economic potential of the outcropping W-Sn mineralisation. This program is the first drilling to have ever been undertaken at Lode Hill.

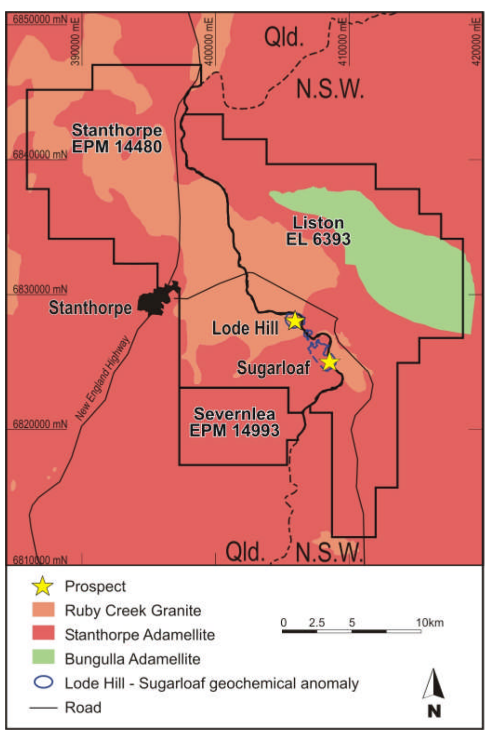

Figure 1 Location of Lode Hill and Sugarloaf Prospects

Work Completed

A total of 30 RC drill holes (1,839m.) has been completed, targeting W-Sn mineralisation associated with sheeted quartz veining in greisenised granite.

Detailed surface mapping has also been completed to determine the controls on the Sn-W-Molybdenum ("Mo") mineralisation.

Preliminary metallurgical test work has been carried out on a composite sample from the RC drilling (STRC05-8, 9m to 18m) which indicates Sn and W to be readily amenable to gravity separation with an estimated minimum recovery of 70%, and Mo recoverable by standard flotation techniques.

Table of Lode Hill drill hole locations

Hole No	Easting	Northing	RL m.	Dip	Azimuth	Hole Depth m.	Target
STRC05-1	406641	6828433	998	-60	145	60	sheeted quartz veining
STRC05-2	406654	6828405	998	-60	145	60	sheeted quartz veining
STRC05-3	406647	6828126	996	-60	145	92	sheeted quartz veining
STRC05-4	406624	6828202	994	-60	145	84	sheeted quartz veining
STRC05-5	406606	6828241	994	-60	145	80	sheeted quartz veining
STRC05-6	406304	6828091	991	-60	145	66	sheeted quartz veining
STRC05-7	406307	6828120	991	-60	145	66	sheeted quartz veining
STRC05-8	406072	6828141	978	-60	145	60	sheeted quartz veining
STRC05-9	406118	6828068	983	-60	145	60	sheeted quartz veining
STRC05-10	406119	6828039	988	-60	145	55	sheeted quartz veining
STRC05-11	406268	6828160	987	-60	145	60	sheeted quartz veining
STRC05-12	406369	6827957	999	-60	145	60	sheeted quartz veining
STRC05-13	406327	6828052	994	-60	145	88	sheeted quartz veining
STRC05-14	406489	6828149	996	-60	145	48	sheeted quartz veining
STRC05-15	406425	6828318	989	-60	145	60	sheeted quartz veining
STRC05-16	406466	6828274	991	-60	145	60	sheeted quartz veining
STRC05-17	406498	6828210	994	-60	145	48	sheeted quartz veining
STRC05-18	406359	6827986	997	-60	145	54	sheeted quartz veining
STRC05-19	406376	6827991	997	-60	325	42	sheeted quartz veining
STRC05-20	406438	6827956	1004	-60	145	59	sheeted quartz veining
STRC05-21	406084	6828109	981	-60	145	60	sheeted quartz veining
STRC05-22	406637	6827917	994	-60	145	60	sheeted quartz veining
STRC05-23	406660	6828047	996	-60	145	60	sheeted quartz veining
STRC05-24	406620	6828314	995	-60	145.5	66	sheeted quartz veining
STRC05-25	406741	6828197	997	-60	145	68	sheeted quartz veining
STRC05-26	406785	6828030	991	-60	145	55	sheeted quartz veining
STRC05-27	406768	6828075	992	-60	145	40	sheeted quartz veining
STRC05-28	406753	6828115	994	-60	145	57	sheeted quartz veining
STRC05-29	406743	6828131	994	-60	145	58	sheeted quartz veining
STRC05-30	406663	6828374	998	-60	145	53	sheeted quartz veining

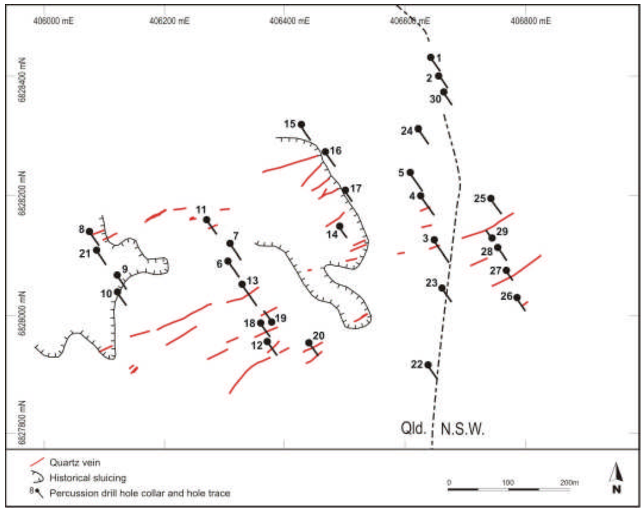

Figure 2 Lode Hill drill hole plan

Results

Drilling intersected widespread Sn mineralisation with locally higher grade zones of combined Sn-W± Mo associated with increased quartz veining and alteration. The mineralised area appears to extend beyond the targeted 700m by 550m Sn and W soil anomaly, with Sn, W and Mo intersected in all of the thirty holes drilled. The amount of Mo in the system was unexpected and provides additional potential value to the Sn-W system, which is very large and remains open in all directions and at depth.

The mineralisation occurs as a series of 0.5m to 14m wide linear zones of quartz veins and greisen with combined Sn, W and Mo grades between 0.1-0.3% (equivalent to 1.0-3.0 g/t Au) within a lower grade halo of Sn and W mineralisation with combined grade up to 0.1% (equivalent to 0.8 g/t Au). The style of mineralisation at Lode Hill has many similarities to other Sn porphyry systems elsewhere in the world. The East Kemptville tin mine in Canada contains 56 Mt @ 0.16% Sn, which is similar in combined metal grades to Lode Hill. This mine was operated by Rio between 1987 and 1993.

Table of significant Lode Hill drill hole intercepts

Hole ID	From m.	To m.	Length m.	Mo ppm	Sn ppm	W ppm	A$Value per tonne	AuEqiv g/t
STRC05-3	0	5	5	120	172	654	$31.04	1.30
STRC05-3	8	11	3	89	538	420	$25.39	1.06
STRC05-3	27	29	2	59	353	130	$14.65	0.61
STRC05-3	66	68	2	111	72	130	$13.15	0.55
STRC05-3	71	80	9	65	1090	794	$39.29	1.64
Incl.	74	80	6	51	1603	1155	$53.94	2.26
STRC05-4	5	8	3	50	350	467	$21.60	0.90
STRC05-4	16	18	2	40	734	160	$16.01	0.67
STRC05-4	41	43	2	68	219	105	$15.74	0.66
STRC05-5	2	5	3	115	752	83	$19.44	0.81
STRC05-5	24	28	4	67	126	88	$10.22	0.43

Hole ID	From m.	To m.	Length m.	Mo ppm	Sn ppm	W ppm	A$Value per tonne	AuEqiv g/t
STRC05-5	53	55	2	2893	197	65	$221.67	9.28
STRC05-6	6	18	12	268	257	151	$31.79	1.33
STRC05-6	36	56	20	66	603	273	$23.23	0.97
STRC05-7	23	26	3	60	528	20	$14.15	0.59
STRC05-7	42	56	14	114	444	193	$21.04	0.88
STRC05-7	60	63	3	50	1190	493	$36.11	1.51
STRC05-8	1	3	2	17	284	420	$16.99	0.71
STRC05-8	7	30	23	145	576	416	$30.97	1.30
Incl.	9	18	9	285	979	819	$58.05	2.43
STRC05-8	55	59	4	54	525	110	$12.86	0.54
STRC05-9	15	17	2	53	876	750	$39.93	1.67
STRC05-9	31	35	4	75	470	40	$12.38	0.52
STRC05-10	1	3	2	61	1160	1525	$61.46	2.57
STRC05-10	16	23	7	57	462	153	$13.96	0.58
STRC05-10	32	36	4	44	448	208	$14.97	0.63
STRC05-11	0	11	11	86	1145	128	$23.36	0.98
STRC05-11	19	21	2	82	332	95	$13.76	0.58
STRC05-11	33	38	5	37	1999	82	$28.67	1.20
STRC05-11	42	44	2	31	1705	410	$32.86	1.37
STRC05-11	58	60	2	19	1013	250	$19.16	0.80
STRC05-12	29	36	7	32	1030	623	$31.80	1.33
STRC05-13	11	13	2	47	604	420	$23.02	0.96
STRC05-13	34	46	12	149	562	504	$34.39	1.44
STRC05-13	69	72	3	51	613	253	$18.01	0.75
STRC05-14	3	5	2	66	1004	365	$27.81	1.16
STRC05-16	1	3	2	13	1007	125	$14.96	0.63
STRC05-18	8	16	8	289	332	365	$36.37	1.52
STRC05-18	39	43	4	173	476	163	$22.98	0.96
STRC05-18	46	53	7	441	129	49	$35.86	1.50
Incl.	46	48	2	972	102	40	$74.98	3.14
STRC05-19	4	6	2	128	366	70	$15.60	0.65
STRC05-19	10	16	6	77	125	197	$13.35	0.56
STRC05-19	31	37	6	239	534	380	$35.26	1.48
STRC05-20	0	2	2	268	134	4570	$152.97	6.40
STRC05-20	6	8	2	127	38	195	$15.81	0.66
STRC05-20	19	21	2	166	238	50	$17.29	0.72
STRC05-20	46	54	8	94	570	609	$31.15	1.30
STRC05-21	0	4	4	81	311	115	$13.13	0.55
STRC05-21	20	24	4	22	498	133	$10.65	0.45
STRC05-22	2	4	2	62	2281	755	$49.97	2.09
STRC05-22	30	34	4	83	1406	18	$21.04	0.88
STRC05-23	41	46	5	78	59	180	$12.88	0.54
STRC05-23	56	58	2	165	126	315	$24.65	1.03
STRC05-25	7	10	3	98	566	200	$19.34	0.81
STRC05-25	39	41	2	191	62	15	$17.24	0.72
STRC05-25	43	46	3	139	202	280	$20.86	0.87
STRC05-25	49	51	2	142	218	1285	$52.87	2.21
STRC05-26	29	31	2	797	334	185	$70.71	2.96

Hole ID	From m.	To m.	Length m.	Mo ppm	Sn ppm	W ppm	A$Value per tonne	AuEqiv g/t
STRC05-26	42	45	3	242	781	267	$34.71	1.45
STRC05-26	47	50	3	153	56	193	$17.97	0.75
STRC05-26	51	53	2	219	184	130	$22.24	0.93
STRC05-27	15	17	2	156	321	540	$31.56	1.32
STRC05-28	0	2	2	104	102	220	$15.48	0.65
STRC05-28	16	18	2	114	491	150	$18.84	0.79
STRC05-29	16	18	2	191	107	50	$17.44	0.73
STRC05-29	44	46	2	221	93	15	$19.51	0.82
STRC05-30	1	3	2	10	1640	55	$19.18	0.80

Note composite calculated by using $12 value cutoff, with minimum 2m width and an internal dilution of 4m @ A$5. Metal prices (as at 26/01/06): Mo US$25.50 lb, Sn US$7545 tonne, W US$21600 tonne, Au US$559.90 oz. A$1=US$0.7523.

Next Phase of Work

A diamond drill program of two holes each up to 200 metres deep is currently in progress to provide geological control, and samples for metallurgical test work. The RC program has subsequently been extended into the March Quarter due to encouraging results, and is focused on determining the zonation, grade and extent of mineralisation.

Detailed geological mapping and 3D modelling will be undertaken concurrently.

Sugarloaf Program

The Sugarloaf (Sn-W±Mo-Bismuth ("Bi")) area has more than 20 separate mineral occurrences. Moderate to high-density east-northeast striking sheeted quartz veining occurs within pervasively greisenised granite. The mineralisation here appears to be similar to Lode Hill, which is 3km to the north west (Figure 1). The aim of the program is to test the depth and continuity of surface Sn and W mineralisation defined by soil sampling. This anomaly has not been drilled before.

Work Completed

Four RC drill holes totalling 160m were completed.

Table of Sugarloaf Drillhole Locations

Hole No	Easting	Northing	RL	Dip	Az	Hole Depth m
SLRC05-1	408272	6826200	1000	60	290	15
SLRC05-2	408289	6826201	1000	60	290	41
SLRC05-3	408264	6826207	1000	60	110	60
SLRC05-4	408287	6826195	1000	60	110	44

Results

The results from Sugarloaf are similar to those from Lode Hill. Detailed mapping is now warranted over the area covered by the W and Sn anomaly at Sugarloaf prior to future drilling.

Next Phase of Work

Detailed mapping will be completed to assist planned follow-up drilling to test for extensions of mineralisation discovered to date.

Lyndbrook Project

Galala Range Program

The W-Bi-Au-Mo Galala Range area has produced an estimated 200t of tungsten concentrate in the past (Figure 3). The Galala Prospect occurs within a large system forming a NE trending zone of alteration measuring 6km x 4km. Mineralisation consists of 0.5cm to 1.5m wide flat-dipping quartz veins within an altered biotite-muscovite granite. The geology suggests the source of the metals is likely to be a shallowly buried cupola of Late Carboniferous porphyritic biotite granite. The aim of the program was to assess the large system for Au mineralisation similar to the Kidston gold deposit.

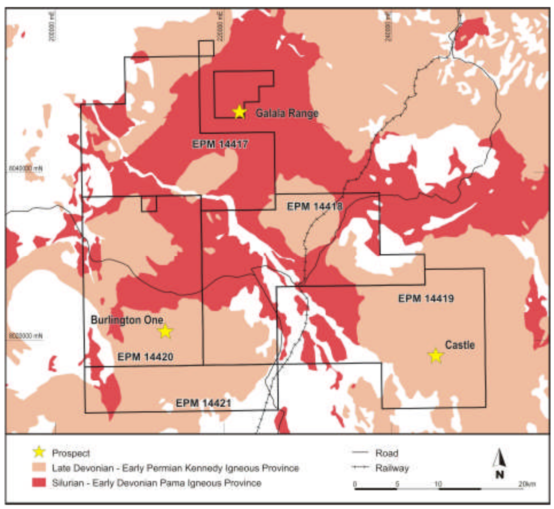

Figure 3.Location of Galala Range, Burlington and Castle Prospects within the Lyndbrook tenements (North Queensland).

Work Completed

440 rock samples and 2422 soil samples were collected over a 3.5km by 2.2km area on an 80m by 40m spacing in conjunction with detailed geological mapping

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Results

Exceptional results have been returned from the Galala prospect defining a large (2.6km x 1.8km) mineralised Au-W-Mo-Bi system (Figure 4). The sampling has defined 13 soil and rock chip geochemical anomalies that warrant drilling. The distribution of the anomalies is zoned from a large central molybdenum core to outer zones of W and Au mineralisation.

Gold equivalent values have been calculated using the following metal prices (as at 26/01/06): Mo US$25.50 lb, W US$21600 mt, Au US$559.90 oz, and A$1 = US$0.7523.

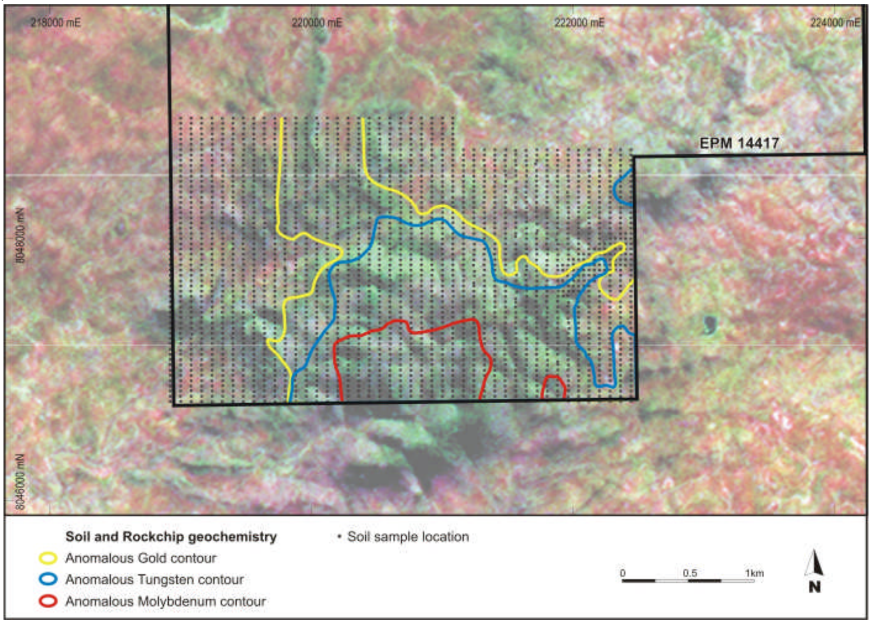

Figure 4 Galala Range Prospect displaying soil sample locations and the areas of anomalous gold, tungsten and molybdenum

Rock chip results for Galala Range reflect the large amount of visible coarse crystalline wolframite observed in quartz veining. 159 of the 284 rock chip samples analysed for W to date assayed >0.1% W, and 57 of the samples assayed >1% W, up to a maximum value of 19.1% W. 95 of the 440 rock chip Au results assayed >0.1 g/t Au, and 17 assayed >1 g/t up to a maximum value of 3.5 g/t. 23 of the 440 rock chip results assayed >500 ppm Mo, and 17 assayed >0.1 % Mo up to a maximum value of 1.05 % Mo.

The soil results received to date highlight the multi-element character of the mineralisation at Galala. There appears to be a central core of Mo mineralisation, with soil values up to 185 ppm Mo, surrounded by W with values up to 2.47% (equivalent to 30 g/t Au) and an outer margin of Au, with values up to 6 g/t Au. The mineral zonation and Bi association with the Au mineralisation is diagnostic of a granite related metal system similar to Kidston.

Thirteen new drill targets have been identified from the Galala area, including nine gold targets similar to Kidston, three tungsten targets and one molybdenum target.

Next Phase of Work

A minimum 10,000 metre drill program is planned at Galala to commence in May, 2006.

Burlington Program

The Burlington area contains Blue Stone (Sn-W), an unnamed (Sn-W) occurrence as well as Burlington One (W). The occurrences are hosted by a Late Carboniferous igneous pluton comprising coarse-grained biotite granite and minor aplite (Burlington Granite).

Work Completed

31 rock samples were collected from the Burlington vein and 15 stream sediment samples taken from 5 localities draining the prospect. Detailed mapping over the 2.5km vein was completed in conjunction with the sampling.

Results

Reconnaissance of the Burlington Prospect highlighted a 2,500m long, east-west trending, steeply dipping zone of quartz veining, hosted in strongly sheared and greisenised Elisabeth Creek Granite. The vein varies in character along strike from a few small (<5cm) parallel veins spaced over several meters in the west to several 15cm parallel shears over 15m width in the central area widening to a single vein up to 4m wide in the east. The greisen zone surrounding the vein is more than 100m wide. The vein has been worked along its entire length. The deepest workings are about 12m, but most are typically 3-4m deep.

Results for 16 rock chip samples collected along the entire 2,500m length of the vein at Burlington are highly encouraging. Average grades were 2% W (max. 4.9% W), 0.63 g/t Au (max. 4.3 g/t Au), 6.8 g/t Ag (max. 47 g/t Ag), and 311 ppm Mo (max. of 0.13% Mo). The results have a strong Au-Bi association, typical of granite gold systems and are similar to the Galala prospect.

Next Phase of Work

A detailed soil sampling program and a scout drill program are planned to test the W-Mo-Au mineralisation.

Castle Program

The Au-Bi-W-Mo Castle prospect was the main Au occurrence in the Lyndbrook area and is surrounded by a group of Mo±Cu occurrences (including Mt Wendy, Mt Bridge and several unnamed occurrences). Mineralisation at the Castle prospect comprises a gold bearing brecciated quartz lode within greisenised granite.

Work Completed

32 rock samples and 107 soil samples were collected from the Castle Prospect. Soil samples were collected on an 80m by 40m grid over a 650m by 550m area in conjunction with geological mapping.

Results

Soil and rock chip sampling defined a 320m x 120m soil anomaly greater than 10 ppb Au (up to 484 ppb Au), associated with narrow silica-muscovite greisen zones. The highest gold assay in rock chips was 55 ppb Au associated with wolframite bearing quartz veins in greisen altered granite. A maximum of 0.35% Bi and 435 ppm Mo was returned from the greisen. The Castle prospect is similar to Galala, with a strong Au-Bi association. The soil sampling has defined a drill target for Au-Bi-Mo-W mineralisation.

Next Phase of Work

GIS (Geographic Information Systems) targeting will be used to determine a W-Bi-Au drill target.

Lyndbrook Reconnaissance Program

Program Aims

The Lyndbrook region has been identified as particularly prospective for W, Mo and Au mineralisation and contains the Galala Range, Burlington and Castle prospects. Regional reconnaissance has commenced to assess the region for additional W, Mo or Au targets similar to the Galala prospect.

Kingsgate Project (results previously reported on 22 November, 2005)

Program Aims

The objectives of the program were to scope the extent, grade and distribution of the Mo-Bi mineralisation in preparation for possible resource drilling. Exploration is planned to identify the existence of between 10,000 and 20,000 tonnes of Mo within the 2.5km^2 project area.

Work Completed

Twelve diamond drill holes were completed in the first phase of drilling for a total of 542m. Diamond drilling was used in preference to RC drilling to allow detailed geological information to be collected to a nominal depth of 60m. This program is the first drilling to be undertaken in the area. The drilling and surface mapping has been used to develop a detailed 3D model of the pipes in the area around Blacks' Mine.

Table of Kingsgate Diamond Drillhole Locations

Hole No	Easting	Northing	RL	Dip	Az	Hole Depth m.	Target	Comments
KGDH05-1	400705	6701668	1053	-60	0	20.3	Bill Millers Pipe	Intersected Pipe
KGDH05-2	400705	6701670	1053	-60	0	9.2	Bill Millers Pipe	Intersected Pipe
KGDH05-3	400774	6701656	1051	-80	80	33.9	Wolfram Pipe	Intersected Pipe
KGDH05-4	400786	6701651	1050	-90	0	24.0	Wolfram Pipe	Intersected Pipe
KGDH05-5	400754	6701555	1047	-60	280	14.5	25 Northwest No 2	Intersected Workings
KGDH05-6	400935	6701545	1011	-60	324	32.5	Granite Shaft	Intersected Pipe
KGDH05-7	400890	6701516	1013	-60	259	39.1	Mt Morgans Pipe	No Pipe Intersected
KGDH05-8	400925	6701464	1001	-90	0	34.3	25 North	Intersected Workings
KGDH05-9	400893	6701360	988	-90	0	104.9	Old 25	Intersected Pipe
KGDH05-10	400929	6701344	976	-90	0	89.9	Old 25	Hole aborted
KGDH05-11	401068	6701677	1022	-80	262	52.0	Black's Mine	Intersected Pipe
KGDH05-12	400882	6701967	1050	-80	252	90.3	One and Nine	No pipe intersected

Results

Highly encouraging results were received from the initial drill program completed at the Kingsgate Project. A high average grade of 0.32% Mo (equivalent to 10.0 g/t Au) was returned from pipes including three intersections above 1% Mo. These results support the considerable potential of the field, known to contain a swarm of 94 pipes.

Disseminated granite-hosted mineralisation surrounding higher grade pipes was also intersected. Grades of intersected disseminated mineralisation average 0.037% Mo (equivalent to 1.2 g/t Au) with a maximum value of 0.3% Mo (equivalent to 9 g/t Au). The mineralisation within the disseminated zone contributes strongly to the value and tonnage potential of the pipe swarm.

Mineralisation is characterised by a strong Mo-bismuth (Bi)-silver (Ag) association with gold (Au), antimony (Sb), selenium (Se) and tellurium (Te) credits.

The detailed 3D model has identified more Mo-Bi pipes in the area of interest than first thought. The intersections in KGDH05-3 and KGDH05-4 are from two newly discovered pipes that have not been mined historically.

Table of Significant Kingsgate Drilling Results

Hole	From (m)	To (m)	Interval (metres)	Geology	Mo %	Bi %	Ag g/t	A$Value per tonne*	Gold Equivalent g/t*
KGDH05-1	0	3.5	3.5	Highly weathered Pipe	0.09	0.07	6.80	100	4.67
KGDH05-2	0	4.0	4.0	Highly weathered Pipe	0.02	0.00	1.28	21	0.98
KGDH05-3	7.0	7.5	0.5	Pipe	1.26	0.07	14.8	1250	58.4
KGDH05-3	25.0	30.0	5.0	Pipe	0.50	0.37	1.90	542	25.3
including	29.0	29.5	0.5	Pipe	1.44	2.86	7.70	1806	84.7
KGDH05-4	12.0	18.0	6.0	Dissem./Pipe	0.03	0.00	0.00	25	1.17
KGDH05-6	16.5	18.0	1.5	Pipe	0.71	2.05	50.4	993	46.4
including	16.5	17.0	0.5	Pipe	1.57	3.05	86.0	1987	93.2
KGDH05-11	6.0	43.0	37.0	Disseminated	0.03	0.02	1.30	29	1.35
including	6.0	16.0	10.0	Disseminated	0.03	0.02	1.97	37	1.73
	20.0	23.0	3.0	Dissem./Pipe	0.06	0.07	1.73	65	3.04
	29.0	40.0	11.0	Disseminated	0.04	0.02	0.22	45	2.10

*Note: Metal Value and Gold Equivalent have been calculated using metal prices of US$72,000 tonne (Mo), US$9.86 kg (Bi), US$8.03 oz (Ag), and US$485.20 oz (Au), and an AUD exchange rate of US$0.7315. One Troy Ounce is equivalent to 31.1035 grams. Results included in the table above were selected based on combined Mo, Bi, Ag metal value only and include all internal dilution calculated on a weighted average basis. Mo assay values calculated by ICP with laboratory XRF checks exhibiting good correlation.

Next Phase of Work

Planning for a second phase reverse circulation drill program has been completed, which will test the 3D model and extension of the high grade Mo-Bi mineralisation intersected by the last drilling program.

The Company plans to drill approximately 15 holes totalling 1200 metres during February with results available in March 2006.

March Quarter Work Program and Budget

The proposed Auzex work program and budget to March 2006 will follow-up on the last quarter’s exploration successes and covers the two Eastern Australian project areas in North Queensland and New England, as well as the New Zealand permits. The general aim of the exploration program is to continue to define mineralisation at Stanthorpe and Kingsgate and to evaluate additional areas highlighted by the prospectivity models for Au, Mo and W.

The principal aims of the next quarter’s work program are to:

1. Define a high grade Mo-Bi-Ag-Ag sectional resource at Kingsgate on our best section covering Bill Millers Pipe, Wolfram Pipe and Blacks Shaft, as well as advance three other sections at One and Nine, Granite Shaft and Old 25.
2. Advance a promising Au prospect at West Tinaroo (North Queensland) to the drill targeting stage (in preparation for potential drilling in the second half of 2006).
3. Advance five promising prospects within the Lyndbrook group of tenements (Burlington, Running Brook, Four Mile Camp, Whistler, and Geaney’s) to the drill targeting stage (in preparation for potential drilling in the second half of 2006).
4. Advance five promising prospects within the New England project (Sheep Station Creek, Lowes Claim, Wattledale Greisen, Deepwater Greisen and Sugarloaf-Storm King) to the drill targeting stage (in preparation for potential drilling in 2006).
5. Evaluate the potential of the Ross and Buller permits in New Zealand to host significant undiscovered Au-Bi and Mo mineralisation.
6. Advance the Lyell Au Mine and associated Mo prospect to the drill targeting stage (in preparation for potential drilling in 2006).