

ASX RELEASE

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Seven Hills Exploration Update

Auzex has received approval from the NSW Department of Primary Industries (Mineral Resources) to commence a costeaning (trenching) and scout drilling program at the Seven Hills Gold Project, north-east of Glen Innes. Costeaning is necessary to expose bedrock for mapping and sampling, and to assist in siting drill holes.

The program will test a large soil anomaly within a 3,500m by 1,500m area of interest where bedrock exposure is very poor. One zone, 1,100m by 200m, has a large number of soil values in the range 100-600ppb gold. Recent rock chip assays from within this zone have recorded values up to 24 g/t gold.

Signs of historic alluvial operations occur within the area, but there has been no recorded modern exploration. The costean and drill program will commence shortly and be completed before Christmas.

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The information in this report that relates to Exploration Results is based on information compiled by John Lawton who is a Member of The Australasian Institute of Mining and Metallurgy. He is a full-time employee of the Company and has sufficient experience that is relevant to the style of mineralisation and type of deposit 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'. John Lawton consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.