

22 November 2007

Galala Range Molybdenum Drill Results Confirm Resource Potential

Highlights

Galala Range Molybdenum (Mo) Prospect, North Queensland (Auzex 100%)

- Assay results from a nine hole (884m) drill program are very encouraging, highlighting continuity of mineralisation over a 600m by 400m area and confirming the potential for a sizeable molybdenum resource at shallow depth. The areal extent of mineralisation has yet to be defined and will be the target of further investigation in the first half of 2008.
- All nine holes intersected wide shallow zones of anomalous molybdenum with best results of 17m at 0.13% Mo from 30m, 7m at 0.13% Mo from 38m and 8m at 0.12% Mo from 41m.
- Preliminary metallurgical testwork has confirmed that the ore is amenable to processing by flotation to produce a clean molybdenite (MoS₂) concentrate.
- Galala Range now provides Auzex with its second molybdenum project. The Company's key asset, the high grade Kingsgate molybdenum-bismuth project, is currently the subject of a Feasibility Study.

West Tinaroo Gold Project , North Queensland (Auzex 100%)

- Assay results from a ten hole (647m) drill program have been disappointing and downgrade the prospectivity of the project. A best intercept of 4m grading 2.12g/t gold confirms the presence of granite gold mineralisation but continuity was not established.

Galala Range Molybdenum (Mo) Prospect, North Queensland (Auzex 100%)

Located north of Mt Surprise and approximately 150km south-west of Cairns, the Galala Range prospect occurs within a large alteration system measuring 6km x 4km. Mineralisation consists of 0.5cm to 1.5m wide flat-dipping quartz veins within a sericite-silica altered biotite-muscovite granite. The molybdenum mineralisation is located in a central core to the soil and rock anomalies and separated from tungsten and gold mineralisation at its periphery. Four drill holes were completed in 2006 to test the extent of the mineralisation within the molybdenum core with three holes returning significant intersections including 14m at 0.15% Mo from 15m, 5m at 0.20% Mo from 17m and 3m at 0.28% Mo from 87m. Initial geological interpretations suggested that the area had potential to host a significant molybdenum resource if the continuity of mineralisation as a series of flat sheets can be established over the area of the soil anomaly.

The recent drill program was designed to test the continuity of mineralisation with nine holes drilled for a total of 884m (Table 2). Each hole was planned to be drilled to 100m depth, with most of the drill holes targeting gently southeast dipping quartz-molybdenite veins within a northeast trending structural corridor. All holes intersected anomalous amounts of visible molybdenum and four holes drilled through wide zones of pervasive sericite, chlorite and muscovite alteration associated with molybdenite mineralisation, which varied from trace to 2% per metre in the holes.

Assay results confirm visual estimates and are similar to the previous drilling, with narrow high grade zones of mineralisation intersected within broader zones of moderate grade molybdenum (Table 1). All holes drilled intersected significant molybdenum mineralisation, including: 7m at 0.13% Mo from 38m in GRRC06-36, 8m at 0.12% Mo from 41m in GRRC06-38, 17m at 0.13% Mo from 30m in GRRC06-43 and 7m at 0.11% Mo from 64m in GRRC06-43. The mineralised zones include individual metre intercepts up to 0.77% Mo. The molybdenum mineralisation is also associated with anomalous tungsten and bismuth. The drilling covers an area 600m long by 400m wide and has an average of 20m thickness of mineralisation per hole to a vertical depth of 100m. Mineralisation remains open in all directions at present and, assuming the current dimensions of the drilling, there is the potential for a sizeable resource in the area. Importantly, the mineralisation occurs as continuous gently dipping sheets from the surface to a depth of 100m and beyond.

A 3D geological model has been developed using all intersections to date. The mineralised zones are remarkably continuous both along strike and at depth in width and grade. The model has also been used to assess the potential for additional mineralisation at the margins (and at depth) of the current area drilled. Drilling is now being planned to infill the area identified to date and to extend the mineralisation to the east and south.

The next phase of work will include:

- Modelling possible extensions to the mineralised body in 3D.
- Infill and extension drilling of the mineralised body.
- Metallurgical testwork to confirm the molybdenite recovery is acceptable by flotation.

Preliminary metallurgical testwork has confirmed that the mineralisation is amenable to processing by flotation to produce a molybdenite (MoS₂) concentrate. The mineralisation has no other metals associated with it and should produce a clean concentrate. Additional metallurgical testwork is now required to assess processing costs and determine recoveries.

West Tinaroo Gold Project, Atherton, North Queensland (Auzex 100%)

West Tinaroo is located approximately 50km south-west of Cairns. A scout drilling program was completed to test the grade and distribution of gold bearing quartz veins identified from detailed mapping and extensive surface geochemical sampling. The program consisted of ten RC holes for a total of 647 metres (Table 4). The drilling intersected wide zones (up to 35m) of quartz-pyrite-muscovite veining in schist in the roof zone of the Tinaroo Granite. However, only narrow low grade zones of gold mineralisation associated with elevated bismuth were returned (Table 3), with a best intersection of 4m at 2.12g/t gold from 27m. The results are disappointing, but do explain the rock chip and soil anomalies and confirm that granite related gold mineralisation is present in the area.

For further information contact:

John Lawton
Executive Chairman
Tel: +617-3303-0198

Brett O'Donovan
Marketing & Investor Relations
Tel: 0433-399-501 (within Aust.)
+617-3303-0198 (outside Aust.)

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.

Table 1: Galala Range Molybdenum Prospect - Summary of Drill Intersections

Hole	From (m)	To (m)	Interval (m)	Mo %
GRRC07-36	38	45	7	0.13
GRRC07-36	57	61	4	0.07
GRRC07-36	86	89	3	0.07
GRRC07-37	0	19	19	0.04
GRRC07-37	33	36	3	0.05
GRRC07-37	61	65	4	0.06
GRRC07-38	24	31	7	0.05
GRRC07-38	41	49	8	0.12
GRRC07-38	71	73	2	0.04
GRRC07-38	82	84	2	0.04
GRRC07-39	9	15	6	0.06
GRRC07-39	41	47	6	0.03
GRRC07-39	69	73	4	0.04
GRRC07-40	4	21	17	0.04
GRRC07-40	28	33	5	0.07
GRRC07-40	69	72	3	0.04
GRRC07-40	82	92	10	0.05
GRRC07-41	22	35	13	0.05
GRRC07-42	6	19	13	0.04
GRRC07-42	55	61	6	0.04
GRRC07-42	74	80	6	0.03
GRRC07-43	30	47	17	0.13
GRRC07-43	64	71	7	0.11
GRRC07-44	22	28	6	0.09
GRRC07-44	33	42	9	0.05
GRRC07-44	52	56	4	0.10

Detailed intersections use a 200 ppm Mo cutoff with minimum 2m width and 4m internal dilution.

Table 2: Galala Range Drill Collar Details

Hole	Easting	Northing	RL	Az	Dip	Depth (m)
GRRC07-36	220876	8047137	484	35	60	102
GRRC07-37	220995	8047094	480	35	60	96
GRRC07-38	220908	8046977	476	35	60	102
GRRC07-39	221068	8047018	489	35	60	96
GRRC07-40	220990	8046922	483	35	60	96
GRRC07-41	221057	8046860	470	35	60	97
GRRC07-42	220911	8046835	465	35	60	97
GRRC07-43	220749	8046744	459	35	60	96
GRRC07-44	220554	8046807	473	35	60	102

Figure 1: Galala Range Drill Hole Location Map

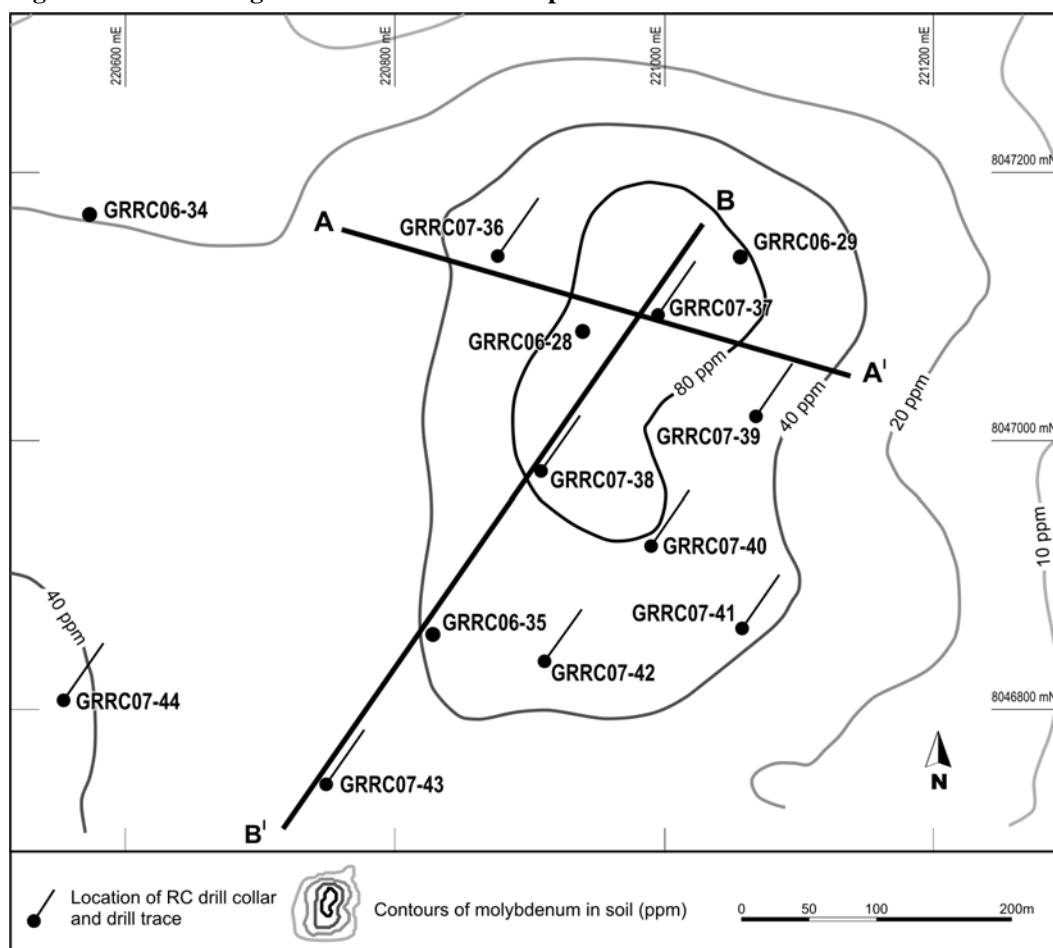


Figure 2: Galala Range Cross Section A

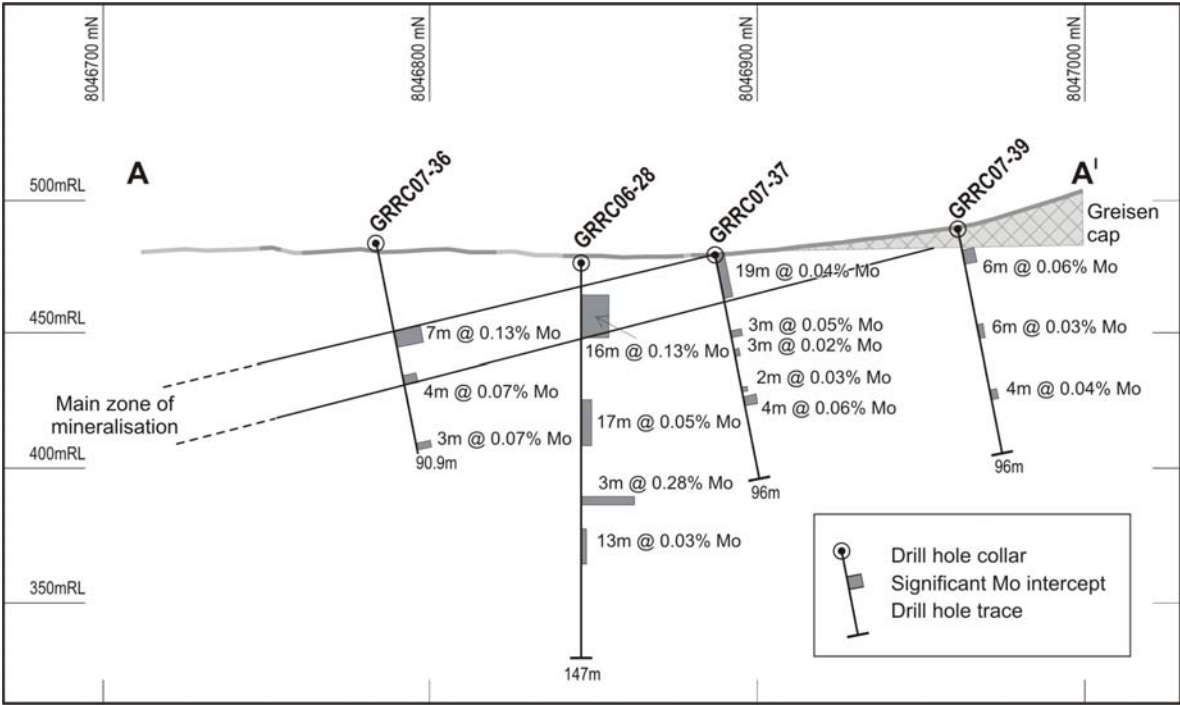


Figure 3: Galala Range Cross Section B

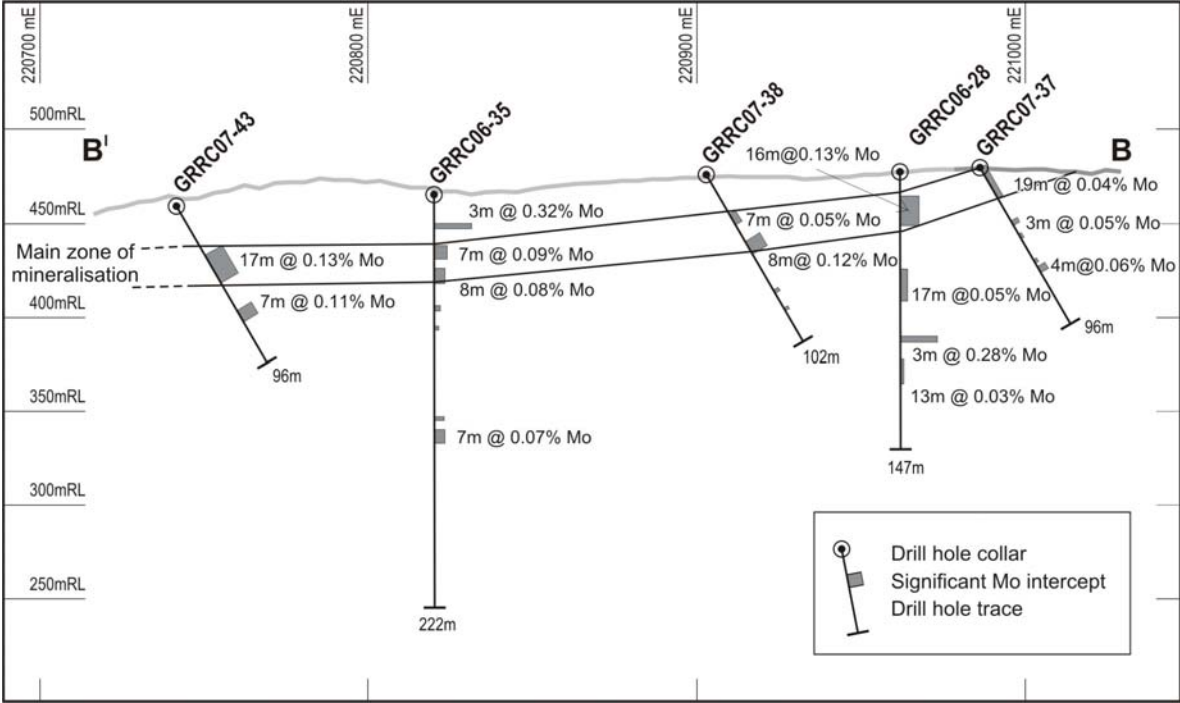


Table 3: West Tinaroo Gold Project – Summary of Drill Intersections

Hole	From (m)	To (m)	Interval (m)	Au (g/t)
WTRC07-03	11	13	2	0.92
WTRC07-05	27	31	4	2.12
WTRC07-07	4	5	1	0.61
WTRC07-07	11	13	2	1.20

Detailed intersections use a 0.5 g/t Au cutoff with minimum 2m width and no internal dilution.

Table 4: West Tinaroo Drill Collar Details

Hole	Easting	Northing	RL	Az	Dip	Depth (m)
WTRC07-01	343294	8099962	670	31	60	60
WTRC07-02	343100	8100059	674	28	60	73
WTRC07-03	342879	8100188	675	27	60	55
WTRC07-04	342817	8100198	671	19	60	67
WTRC07-05	342714	8100226	672	17	60	67
WTRC07-06	342604	8100267	673	20	60	67
WTRC07-07	342555	8100320	659	0	90	43
WTRC07-08	342483	8100350	662	0	90	61
WTRC07-09	342589	8100001	652	30	60	93
WTRC07-10	342674	8099996	657	1	60	61