

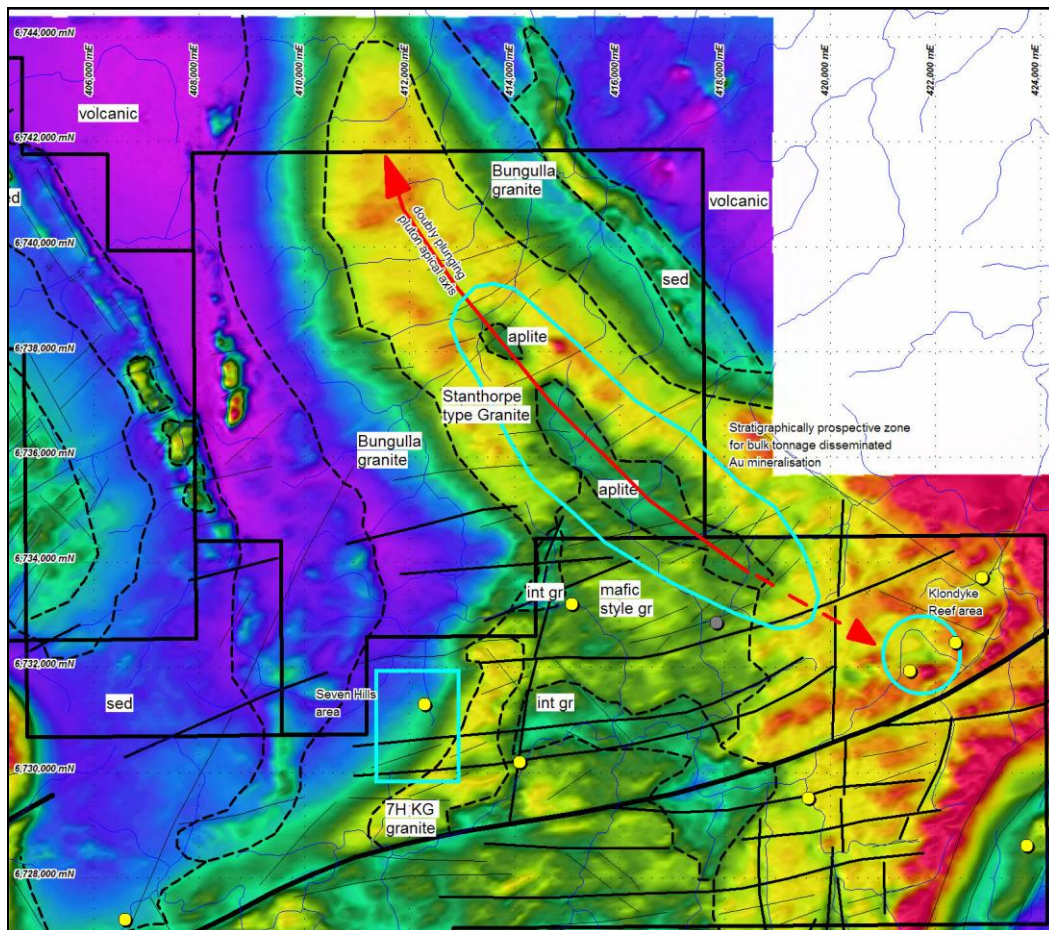
2<sup>nd</sup> December 2009

ASX RELEASE

## DRILLING AT KLONDYKE GOLD PROSPECT COMMENCES

Auzex Resources Ltd is pleased to announce that drilling the program at the Klondyke gold prospect, located north-east of Glen Innes in northern New South Wales, has commenced.

The Klondyke Gold prospect has the potential for large tonnage disseminated gold mineralisation as well as high grade vein style mineralisation. Initial fieldwork in the region identified encouraging rock-chip samples assaying up to 2.5 g/t Au.



Klondyke Gold Prospect location

Drilling by Auzex at Seven Hills, 10km to the west of Klondyke, intersected a number of discrete zones of gold mineralisation in greisen, including 13m at 8.55 g/t Au, 8m at 2.80 g/t Au, 11m @ 2.05g/t Au and 5m at 3.54 g/t Au.

Further geological field assessment of Seven Hills will be undertaken during the course of the Klondyke drilling.

The Klondyke Reef mine is located along strike of a regional structure associated with several historic gold prospects. The summary features of the gold mineralisation at Klondyke are:

- The Klondyke Reef mine operated until 1899, producing over 184kg of Au with grades up to 68g/t Au recorded.
- The Klondyke Reef mine appears to have proven continuity of mineralisation as it was mined to a depth of 210m and along strike for 800m.
- Recent mapping using the newly flown geophysical data at the Klondyke prospect identified the potential for new high grade zones of mineralisation beneath the current working where the main structure cuts the roof zone of the host granite and intersects more felsic granite.
- There is also the potential for a bulk tonnage intrusion related gold target peripheral to the Klondyke Reef prospect within a northwest trending zoned pluton that has a strike length of 12km.

The planned drill program will comprise 9 to 11 holes totalling approximately 1,200m.

The intrusion related gold style mineralisation is a new target in the region and any anomalous gold intersected within this north-west trending zone (see figure) will significantly enhance the prospectivity of the project for a large tonnage gold resource. The aims of the Klondyke drilling will be to

- develop a 3D model of the roof zone of the hosting granite, map the distribution of alteration within the roof zone,
- test for anomalous gold mineralisation outside of the Klondyke structure,
- test the continuity and grade of mineralisation in the Klondyke structure and
- test for increases in grade and width in relation to the roof zone of the host granite.

**Runningbrook**

Runningbrook was initially identified as a 1500m diameter circular gold and copper anomaly associated with a geological setting similar to the Kidston Gold Mine deposit (3.5Moz production between 1985 and 2001), which lies 120km to the south. Scout drilling and costeaming intersected broad zones of low grade gold mineralisation, together confirming with mapping and ground geophysics, the presence of a geological environment similar to the Kidston deposit.

Recent drilling of three test holes at the Runningbrook prospect, which is located north of Mt Surprise in North Queensland, intersected similar low grade gold mineralisation in gneiss, extending significantly the area of mineralisation discovered to date. The potential source granite for the gold mineralisation in the gneiss remains to be drill tested.

Currently, Laxmi Asset Management are seeking funds to develop Auzex's Gold projects whilst discussions on Kingsgate and Khartoum continue. Drilling at the highly prospective Lyell Gold project located near the Reefon mine in New Zealand is being planned and will be subject to the terms of this funding in conjunction with the company's gold projects.

For further information please check our website ([www.auzex.com](http://www.auzex.com)) or contact Eugene Iliescu (Managing Director) or John Lawton (Executive Chairman) on +617 +617 3303 0198 respectively.



**Eugene Iliescu**  
Managing Director

**Competent Person Statement**

*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.*