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**ASX RELEASE**

## **Bullabulling Gold Project – Resource Drilling Commences**

### **Highlights**

- The resource drilling program at Bullabulling planned to total 18,000m has commenced, and is expected to be completed in late January 2011.
- Historic high grade intersections beneath the Bacchus North pit (at depths of 120m-150m below surface and not included in the current resource estimate) will be targeted initially to confirm continuity.
- An estimated 5,000m is planned which will twin existing drill holes within the Bacchus – Phoenix portion of the Bullabulling Trend to enable the current Inferred Resource estimate to be upgraded to Measured and Indicated categories.
- Infill drilling totalling 12,000m is required to define the resource within a 2.3km long zone between Bacchus and Phoenix pits where preliminary pit optimisations indicate the initial open-cut pit will be located.
- Resource consultants Snowden Group have been engaged to advise on the QA/QC program and estimate a new resource and initial reserve estimate based on the results of the current program and due at the end of March 2011.
- A 1200m diamond drilling program will commence in late November 2010 to establish gold recovery and processing costs for primary gold mineralisation.

The Bullabulling Joint Venture partners (Auzex Resources Ltd and GGG Resources Plc) are pleased to announce that the planned resource drilling program at the Bullabulling Gold Project has commenced.

Initial reverse circulation (RC) drilling is targeting historic high grade intersections beneath the Bacchus North pit (including 7m @ 77g/t Au, 5m @ 14g/t Au, 4m @ 5.08g/t Au, 3m @ 4.43g/t Au, and 3m @ 9.16g/t Au). A second RC drill rig, due to commence shortly, will focus on drilling twin holes to compare results from the historic drilling with the aim of improving the confidence in the historical assays to allow the current inferred resource to be reclassified to indicated and measured categories, and in turn enable initial JORC compliant reserves to be established for the project.

The current reported JORC compliant mineral resource is 41,517,000 tonnes @ 1.48 g/t Au for 1.98 million ounces of gold at a 0.7 g/t Au cut off to an assumed economic mining depth of 315m RL, approximately 120m depth.

#### Bullabulling Mineral Resource (August 2010)

Mineral Resource estimate	Cut Off (g/t Au)	Class	Tonnes	Gold grade g/t	Contained Ounces
<b>August 2010</b>	<b>0.7</b>	<b>Inferred</b>	<b>41,517,000</b>	<b>1.5</b>	<b>1,982,000</b>

*Note: The resource is quoted for blocks with a grade of greater than 0.7 g/t and above the 315 RL which approximates to 120m depth below surface. Differences may occur due to rounding*

Work to be undertaken includes a 5,000 metre QAQC drilling program to allow the upgrading of the recent inferred resource estimation completed by consultants (see 16 August 2010 ASX:AZX announcement) to measured and indicated resource categories, a 12,000 metre infill drilling program to expand the known resource estimate, and 1,200 metres of diamond drill core within the primary zone for metallurgical test work.

#### High Grade Zones

There are several high grade intersections in the Bacchus Deep area (e.g. 7m @ 77g/t Au, 5m @ 14g/t Au, 4m @ 5.08g/t Au, 3m @ 4.43g/t Au, and 3m @ 9.16g/t Au). However,

there are too few intersections to include in the current resource. The current drilling is to confirm the continuity of these high grade intersections.

### **In-fill drilling**

Based on preliminary pit optimisations of the current Inferred Resource estimate, the main part of the resource is located in the area from the southern limit of Bacchus South pit to immediately north of the Phoenix pit over a strike length of 2.3km and over a width of 400 to 800m defined by the Bullabulling shear zone. As there are more drill holes in this area, the majority of reserves are expected to be defined in this area. The areas immediately beneath the Bacchus pits contain resources that can be mined with a minimal strip ratio.

### **Twining Program**

In order to check the historic assay results, each major historical drilling campaign will be checked by geological domain, especially weathering profile, with about 1000-1500 samples required from each domain. Two complete fences of drilling across the shear zone have also been planned to confirm the continuity of grade, geology and estimate the pegmatite distribution so it can be compensated for in the model outputs. The planned Quality Assurance / Quality Control program should allow areas with high density historic drilling to be upgraded to Indicated and Measured categories by twinning historic RC drill holes to provide increased confidence in the estimates. Some of the twinned holes will be extended at depth and if successful should increase the current resource. The remaining areas will require infill drilling to convert the inferred resources to measured and indicated. The Snowden Group has been engaged to estimate a new resource including all the new drilling results, advise on the Quality Assurance / Quality Control program and estimate JORC compliant reserves for the project.

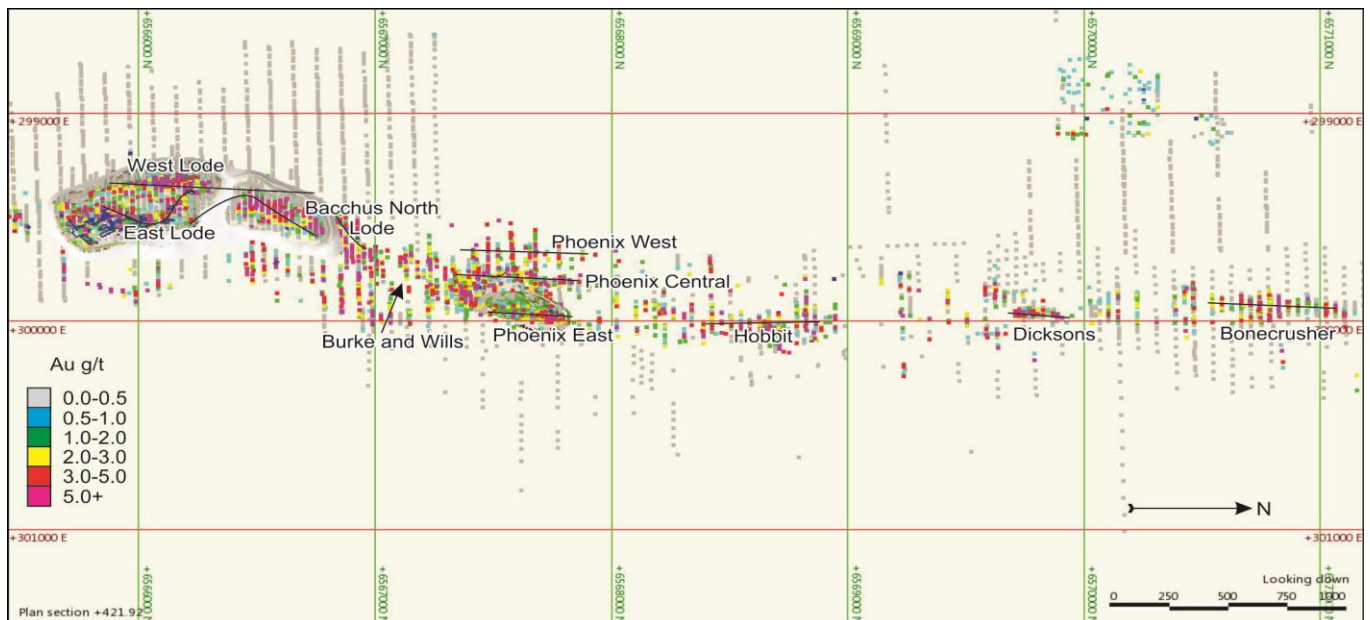
### **Other Areas**

Drilling has been planned in the Bonecrusher area in the northern part of the Bullabulling Trend. A significant proportion of the resource at Bonecrusher has been drilled using the shallow depth RAB (Percussion or pneumatic Rotary Air Blast) drilling technique and all these holes will have to be re-drilled for the resource in this area to be classified as indicated and measured.

## Bulk Density Measurement

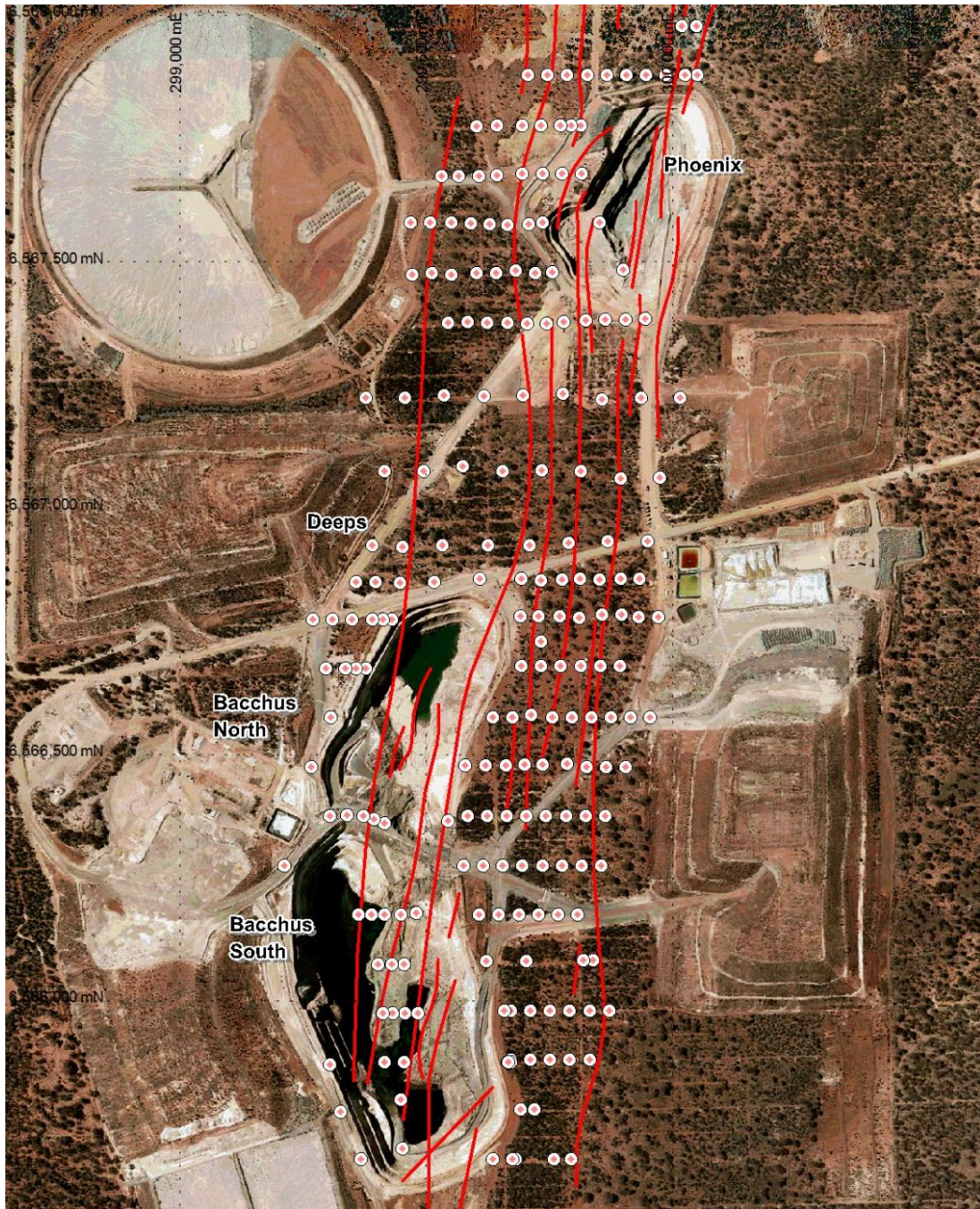
The number and quality of bulk density measurements of mineralisation are also insufficient for upgrading the current resource category. Consequently, a number of new bulk density measurements are required from each weathering domain with particular emphasis on primary ore. This work is also planned at the same time as the drilling using samples from the recent diamond drilling, open cut pits and the new metallurgical drilling.

## The Bullabulling Gold Trend



Initial results from the drilling are expected from late November and the diamond drilling results, for metallurgical testwork, by the end of the year. The current Inferred Resource estimate will be upgraded once the QAQC results have been analysed and a new resource model estimated to include the new infill drilling results. The new resource is expected to include mineralisation below the current Inferred Resource.

For further information please check our website ([www.auzex.com](http://www.auzex.com)) or contact John Lawton (Managing Director) or Greg Partington (Operations Director) on +617 3333 2822 and +6144800987 respectively.



Drill plan showing the location of QAQC and infill drilling in the main resource areas and holes targeting the high grade mineralisation in the Bacchus Deeps area.

**Competent Person Statement**

*The information in this report that relates to Exploration Results, Mineral Resources and Ore Reserves is based on information compiled by John Lawton who is a full-time employee of the Company and Member of The Australasian Institute of Mining and Metallurgy. He 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.*