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**ASX RELEASE**

Monday, 16 August 2010

## **Bullabulling Gold Project: JORC reported resource increased 450% to 1.98 Moz Au**

### **Highlights**

- The JORC reported Mineral Resource has been boosted to over 1.98 million ounces (MOz) contained gold at the Bullabulling Gold Project in the Coolgardie Goldfields of Western Australia.
- An Inferred Mineral Resource of 41.5 million tonnes at an average grade of 1.5g/t gold has been estimated using a 0.7g/t Au cut-off, resulting in contained gold of 1.98 million ounces gold.
- Additional drilling is required to increase the resource classification from Inferred to Measured/Indicated categories, which is expected to significantly increase the previously reported resource of 431,600 ounces.
- The current resource is expected to increase with further exploration drilling.

A new JORC reported Mineral Resource of 41,517,000 tonnes grading 1.5 g/t Au for 1.98 million contained ounces of gold at a 0.7 g/t Au cut off for the Bullabulling Gold Project has been estimated to a nominal depth of 315 RL, approximately 120m below surface. This depth has been used as a conservative approximation of mineralisation that is expected to be amenable to open-cut mining operations.

The new Mineral Resource estimate has been restricted predominantly to mineralisation within the Bullabulling Trend, which extends over approximately 6km strike and where gold mineralisation exhibits excellent lateral and vertical continuity, and is open in all directions. The Mineral Resource excludes all historic production and does not include historic surface dumps that are reported to contain approximately 12,000 ounces of gold.

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*

This new Mineral Resource was estimated by CSA Global who are an independent consultancy based in Perth (An executive summary of their report is attached). The estimation used assays from all the historic drill hole data over a 9 km<sup>2</sup> area covering the Bullabulling shear zone and the Ordinary Kriged method for interpolation. Grade tonnage curves at various cut offs from this estimate confirm that a significant amount of the resource sits between 0.3 and 0.9 g/t Au, consequently it is believed that the project will return the greatest value as a high tonnage low grade bulk mining operation.

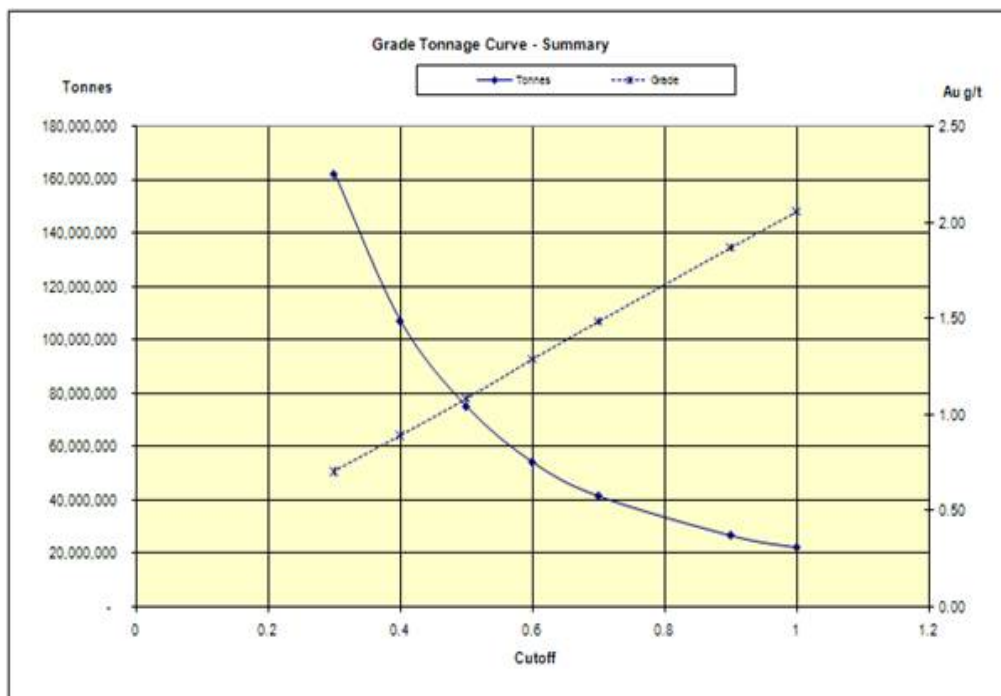
The Mineral Resource has been classified as Inferred with the potential for some areas with high density historic drilling being upgraded to the Measured and Indicated categories, as soon as possible, by twinning of selected historic reverse circulation (RC) and carrying out infill drilling.

A preliminary economic scoping study is currently being completed by CUBE consultants that will provide information on mining costs, treatment costs, cut off grade and the scale of the operation to be used in the feasibility study planned for commencement in October 2010. Optimisation studies are planned on the global Mineral Resource to confirm the economic mining depth and this information should be available by mid to late September. The Mineral Resource will be upgraded at this time to take account of the economic depth of mining.

The Mineral Resource estimate is based on 10,522 drillholes, with approximately half being RC and half being RAB drillholes; it has well defined variography that reconciles with the orientations of mineralised shoots derived from a recent structural study commissioned by Auzex Resources Ltd. The new estimate reconciles well against historic production. A recently completed diamond drilling program will also be used to update the model when all assay results are finalised and released shortly.

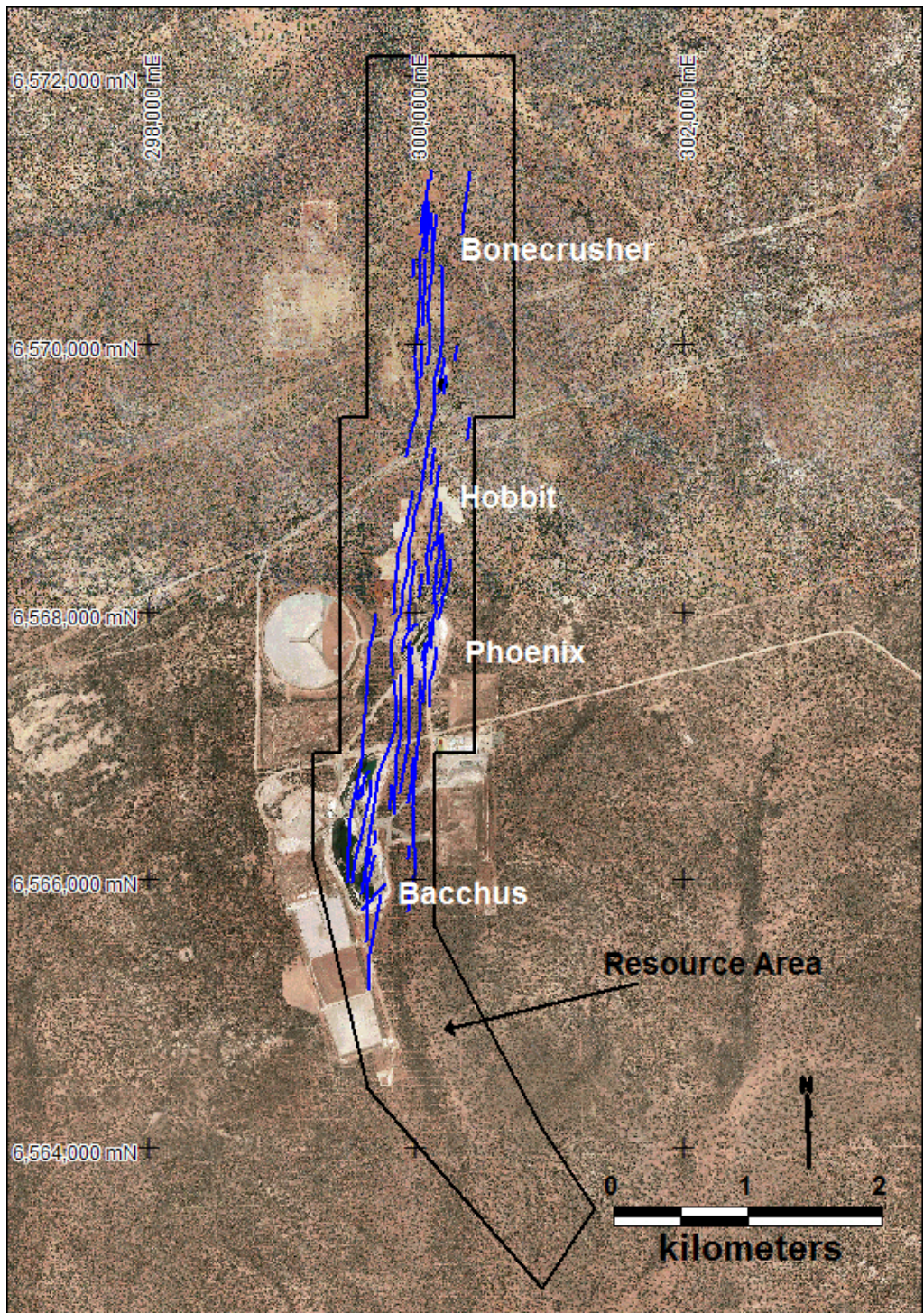
<b>Bullabulling Grade Tonnage Curve, Surface (200 RL) to 120m depth (315 RL)</b>			
<b>Gold cut-off g/t Au</b>	<b>Tonnes</b>	<b>Average Grade Au g/t</b>	<b>Contained Ounces</b>
1	22,202,000	2.06	1,468,400
0.9	26,739,000	1.87	1,606,500
0.7	41,517,000	1.48	1,981,600
0.6	54,231,000	1.29	2,245,900
0.5	75,013,000	1.08	2,611,800
0.4	107,094,000	0.89	3,071,800
0.3	162,171,000	0.71	3,683,200

Bullabulling tonnes and average grades were estimated at different cut-off grades for mineralisation less than 120m below surface



Bullbuling Tonnage-Grade Curve constrained to RL 315 (approximately 120m below surface)

This is the first time that all the data have been used to estimate the gold Mineral Resource for the Project. The previous quoted Mineral Resource of 431,600 ounces of gold was confined to the main pit areas and to small laterite and supergene prospects to the north and south and contained an unusually small amount of mineral resource in the Inferred category. The recently completed structural study demonstrated that mineralisation not only continued between the historic pits at Bacchus and Phoenix and down dip, but also the mineralised shear zone was wider and that mineralisation was also present in the foot wall and hanging wall of the Bacchus and Phoenix pits respectively. The recently completed diamond drilling program confirms this potential and also confirms that additional mineralisation occurs in stacked shoots beneath the known zones of mineralisation as suggested by the structural modelling.



The Bullabulling Gold mineral resource area with interpreted trend of mineralization and current open-cut pits

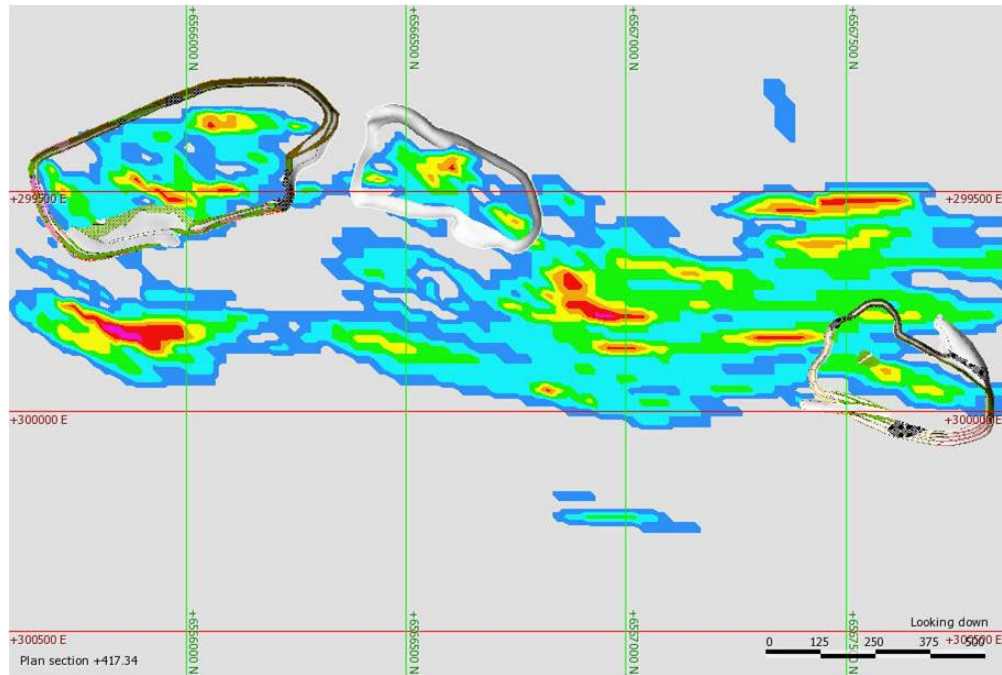
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### Historic 1998 Bullabulling Resource

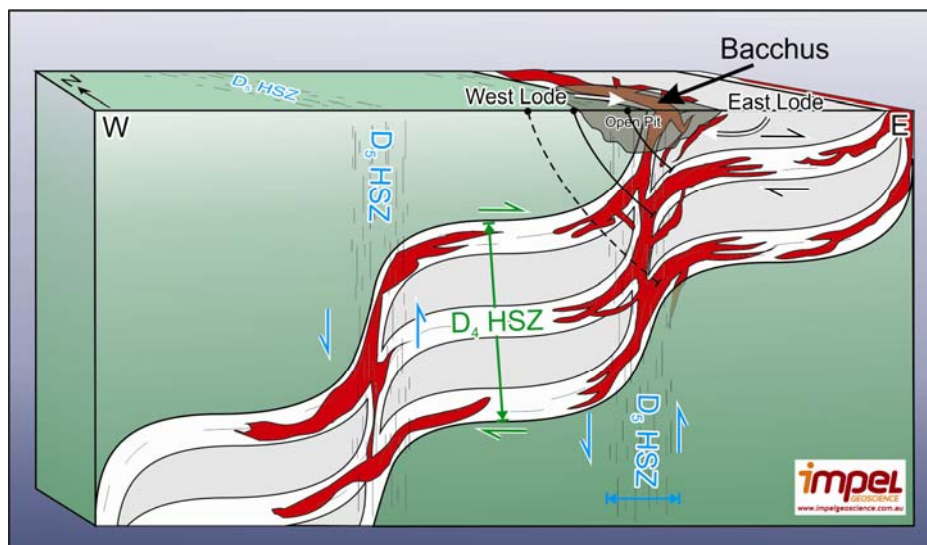
Resource Category	Tonnes	Grade g/t Au	Contained Gold oz
Measured	4,865,000	1.51	237,000
Indicated	4,159,000	1.35	180,800
Inferred	284,000	1.52	13,900
<b>Total</b>	<b>9,308,000</b>	<b>1.44</b>	<b>431,600</b>

*Note: Resource tonnes and contained gold figures have been rounded*

The establishment of the new increased Mineral Resource for the Project is a significant milestone that will allow the project to be developed to its optimum economic potential. The scale of the Mineral Resource also suggests that the project could develop into a significant gold project that will establish the Coolgardie Goldfield in the Eastern Goldfields of Western Australia as a significant producer.



Gold mineralisation in relation to current Bacchus and Phoenix pits over 2.5km portion of the Bullabulling Trend : note the gold mineralisation not only occurs between pits but also in the footwall and hanging wall of the current pits. This mineralisation continues along strike for six kilometres and down dip for 250 metres and is open in all directions



3D Model of the structural framework of the Bullabulling Trend showing interpreted extensions to known mineralisation.

### Acquisition Update

The acquisition of the Bullabulling Gold Project mining tenements and plant and equipment with its 50:50 joint venture partner Central China Goldfields Plc (AIM:GGG) was successfully completed on Friday 13 August 2010. Registration of the tenement transfers from the vendors of the Project, Jervois Mining Ltd and its wholly owned subsidiary Goldpride Pty Ltd, is underway. The vendors have obtained Ministerial consent to sell the Bullabulling pastoral lease to the joint venture.

For further information please check our website ([www.auzex.com](http://www.auzex.com)).

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### Competent Person Statement

*Mr John Lawton, MAusIMM, of Auzex Resources Ltd takes overall responsibility for Exploration Results and for the 1998 Mineral Resource estimate. The latest August 2010 Mineral Resource estimate was completed under the overall supervision and direction of Steven Hodgson, MAIG, of CSA Global who is a Competent Person as defined by the Australasian Code for the Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code 2004 Edition). Mr Lawton and Mr Hodgson consent to the inclusion in this report of the matters based on the information in the form and context in which it appears.*



12 August 2010

Dr Greg Partington  
 Auzex Resources Ltd  
 PO Box 2145  
 MARMION WA 6020

Dear Greg

RE: 2010 Bullabulling Gold Project Mineral Resource estimate

Auzex Resources Ltd (Auzex) commissioned CSA Global Pty Ltd (CSA) to compile a Mineral Resource estimate for the Bullabulling Gold Project (BBGP). The BBP is located west of Coolgardie in Western Australia.

The August 2010 Mineral Resource estimate for the BBGP contains 41,517,000 tonnes at 1.5 g/t Au using a 0.7 g/t Au cut off for 1,982,000 ounces of contained gold above 315 RL. The grade and tonnes above 315 RL using a 0.5 and 0.7 g/t cut off and is presented in Table 1. The 315 RL is considered a realistic maximum open pit mining depth, however mineralisation does continue below this RL. The deposit is classified as Inferred as per the JORC Code (2004 edition). The BBGP has been open pit mined in the mid 1990 and the reported results are based on the post mined topography.

**Table 1 Mineral Resource Estimate Summary, 0.7 g/t cut off, 315 RL to Surface**

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

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

The Mineral Resource estimate prepared by CSA is predominantly based on historic drillholes. All drillholes were used for the grade estimation, which allowed the resource to be verified against historic production. Drillhole spacing varies from to 20m by 25m to 100m by 50 m.

The Mineral Resource is classified as Inferred due the lack of QAQC on the drillhole sampling. Twinning of selected drillholes and further infill drilling should help increase confidence in and improve on classification for portions of the Mineral Resource.

The Bullabulling Gold Project is located in the middle of the Coolgardie Domain of the Kalgoorlie Terrane in the Yilgarn Craton in Western Australia. The southern part of the Coolgardie Domain is dominated by the Burra Granite that extends eastwards from the Ida Fault. North of the Burra Granite, the mapped distribution of mapped rock types is dominated by the greenstone units that envelope numerous monzogranite bodies in the centre of the domain. These intrusions are named the Calooli, Bali and Silt Dam monzogranites and the Dunnsville Dome/Doyle Dam Granodiorite. The gold deposits that comprise the Bullabulling gold camp are clustered around the SW corner of the Bali Monzogranite and extend some 14 km along the margin of the intrusion.

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Gold mineralisation occurs in the laterite and in the quartz amphibolites interpreted to be metasedimentary rocks, and metakomatiites.

Bulk density information was limited to 75 historic samples. Bulk densities of 1.7, 2.1, 2.4 and 2.6 g/cm<sup>3</sup> were used for the completely oxidised, moderately oxidised, weakly oxidised and unoxidised rock respectively.

Yours Sincerely



Steven Hodgson  
Senior Resource Consultant  
CSA Global Pty Ltd  
Geological & Mining Consultants to the Global Minerals Industry

#### Competent Persons Statement

The estimate was completed under the overall supervision and direction of Steven Hodgson, MAIG, of CSA Global who is a Competent Person as defined by the Australasian Code for the Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code 2004 Edition) and who consents to the inclusion in this report of the matters based on the information in the form and context in which it appears. The information in this report that relates to in-situ Mineral Resources based on information provided by the client.