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## Auzex gold rush defies the sceptics

SHARES in junior gold explorer Auzex Resources have soared more than 32 per cent after the company reported a larger than expected 450 per cent increase in contained gold at its Bullabulling project in Western Australia.

Investors moved to grab a slice of Auzex before the release of more results tomorrow, pushing the shares up by 4.5¢ to 18.5¢.

The company, which has interests in Australia and New Zealand, told the market its resources had risen from 430,000 ounces to 1.98 million of contained gold at Bullabulling.

That equates to an inferred resource of 41.5 million tonnes at an average grade of 1.5 grams a tonne gold with a cutoff of 0.7g/t.

The market had been sceptical about glowing results from Bullabulling, assuming Resolute Mining had gone over the ground thoroughly before selling the tenements in 2002.

Auzex managing director John Lawton said the company was confident about the project.

"There will be some scepticism around this announcement for sure, but we aren't losing sleep over that," he said.

"What we found when we looked at Bullabulling was how underdeveloped the area was. Resolute had only looked at shallow mineralisation down to 34 metres."

But what may not have been economic once is being viewed in a new light thanks to a gold price of about \$US1200 an ounce. A rough calculation estimates operating costs at about \$A600 an ounce.

Mining is expected to start in late 2012.

Mr Lawton has been a strong believer in the project since Auzex listed in 2005, putting about \$1 million of his own money into the company.

**MATHEW MURPHY**