

10 March 2010

Update on Bullabulling Gold Project Progress

Auzex Resources entered into a binding Heads of Agreement with Central China Goldfields Plc (CCG) on 11 February 2010 for CCG to acquire 50% equity in the Bullabulling Gold Project. As part of the terms of the Agreement, CCG made a cash payment (option fee) of \$500,000 in exchange for Auzex shares priced at 25 cents each and issued 14,044,944 CCG shares at 4 pence each (equivalent to approximately 7.1% of CCG following allotment) to Auzex.

CCG will advise Auzex on or before 19 March 2010 of their intention (or otherwise) to exercise the option, and pay Auzex \$2.5 million by 7 April 2010. Auzex will use part of these funds to exercise the option with Jervois within the three month exclusive option period.

CCG has completed its project review and field visits to the Bullabulling Project Area, including reviewing resources, exploration potential and mining and processing options and their decision on the option exercise is expected shortly.

Auzex and CCG have commenced negotiating a joint venture agreement with a view to forming a management committee consisting of two representatives from each company that will be responsible for managing the project. The purpose of the joint venture will be to fast track the Bullabulling project to bankable feasibility within a twelve to eighteen month timeframe at an estimated cost of \$2.0 to \$2.5 million.

A draft six month budget and work plan has been developed that will deliver an updated resource to help plan a bankable feasibility study on the Bullabulling project and to define a list of new prioritised exploration targets that will increase the resource base to allow the project to grow into the future. The strategy is to access high grade ore and low cost surface ore early to allow rapid payback of the capital investment. It is planned that resource drilling to increase the current resource base will start during the six month period.

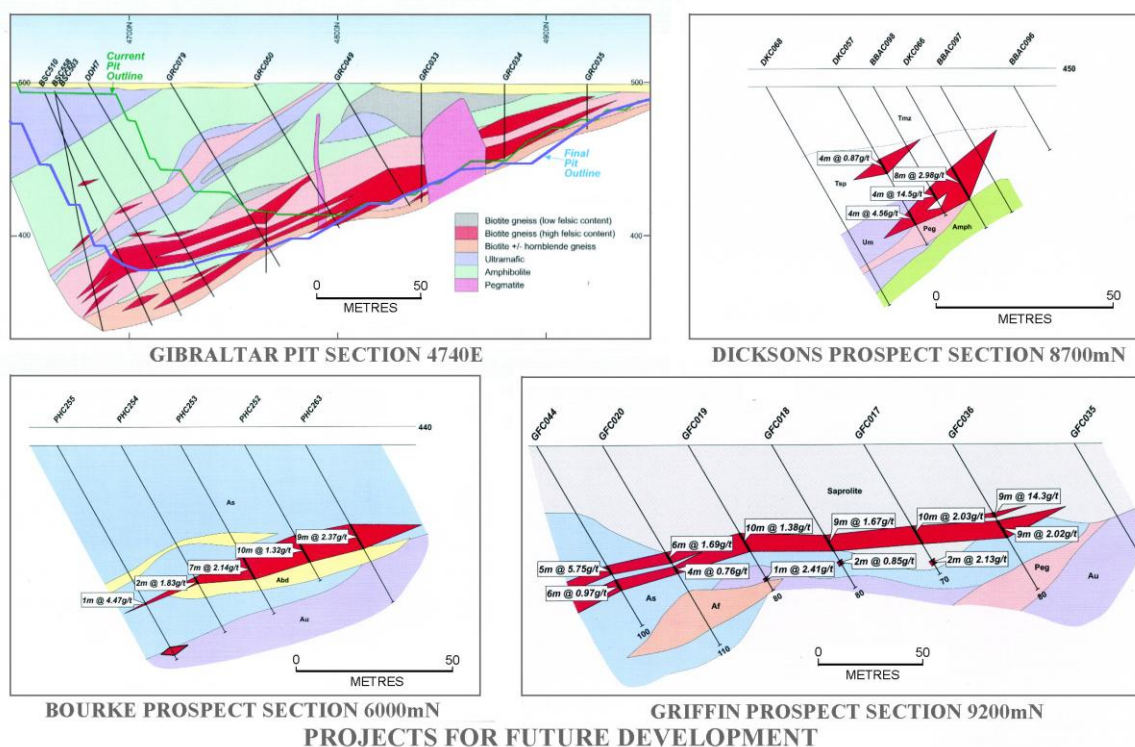
Auzex has commissioned a detailed structural study of the Project to better understand the controls on mineralisation, which will commence shortly.

Gold mineralisation at Bullabulling is open in all directions, particularly at depth, where previous resource drilling is limited past a vertical depth of 50m. The average depth of all drilling at Bullabulling is only 34m.

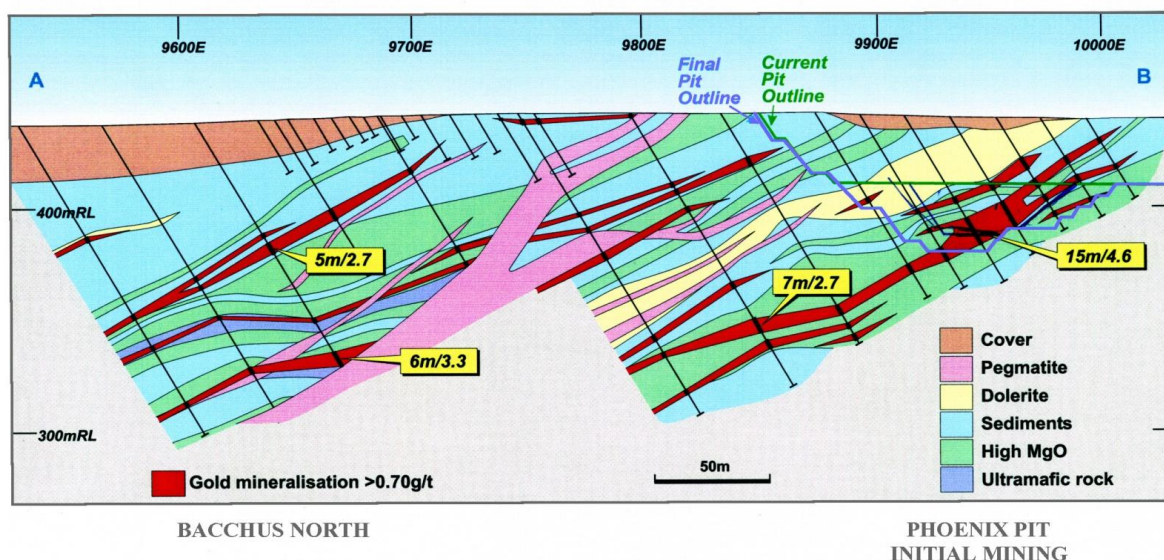
In addition, current pit optimisations and mine planning were undertaken at a A\$ 600oz (US\$315oz) gold price. Although mining and processing costs have increased in the past few years, with the current gold price in excess of US\$1,100oz, Auzex considers there is scope for expanding the current resources both between the existing pits and at depth.

The following high grade targets have been identified during the due diligence work beneath and between existing pits for immediate follow up exploration:

- Dicksons: 4m at 14.5 g/t Au,
- Hobbit: 9m at 10.5 g/t Au,
- Edwards: 9m at 11.9 g/t Au,
- Endeavour: 3m at 21.2 g/t Au and
- Bacchus: 7m @ 77g/t Au, 5m @ 14g/t Au, 4m @ 5.08g/t Au, 3m @ 4.43g/t Au and 3m @ 9.16g/t Au.



Examples of ore available for mining immediately beneath known resources at Gibraltar, Dicksons, Bourke and Griffin prospects



Deep higher grade intersections beneath the current Phoenix and Bacchus pits

The Project gold resources estimated in 2002 at the time Jervois acquired Bullabulling are as follows:

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
Total	9,308,000	1.44	431,600

Note: Resource tonnes and contained gold figures have been rounded

Approximately 14,000oz gold has been produced by dump leaching from that time to the present, from the resource stated above. Previous carbon-in-pulp (CIP) production undertaken between 1988 and 2002 is estimated at 7.9 million tonnes at an average grade of 1.45g/t gold (371,000oz). It is expected that follow up exploration targeting high grade mineralisation will up grade the current resource.

For further information please check our website (www.auzex.com) or contact Eugene Iliescu (Managing Director) or John Lawton (Executive Chairman) on +617 3303 0393 or +617 3303 0198 respectively.

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.