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ASX RELEASE

Bullabulling Gold Project: Engineering Scoping Study

Consultants have been appointed and commenced assessment of all previous operational and exploration data from the Bullabulling Gold Project in the Coolgardie Goldfield, Western Australia, to assist in the planning of a detailed bankable feasibility study scheduled to commence in October this year. Perth based Cube Consultants will review the extensive database acquired from previous mining operations including process design, mine engineering and metallurgy, and report to the Joint Venture management in September.

Bullabulling was an active mine up to 1998, producing some 370,000 ounces of gold (7.9 million tonnes @ 1.45 g/t gold), mainly from laterite and supergene ore, with primary mineralisation produced from three deeper pits. Consequently, there is also a significant dataset available from the previous mining operations including metallurgical reports, weekly ore processing sheets from the mill, mining and processing reconciliation reports and grade control data. Although the dataset is not complete, the considerable knowledge gained from the earlier operational activities will help to accelerate the new Bullabulling feasibility study and reduce costs.

The engineering scoping study will compile all available operational information into a digital format that can then be more efficiently modelled. The study will also determine the additional work needed to complete a full bankable feasibility study for the Bullabulling Project by producing a budget and timeline that include estimated current lead-times for key equipment. This work will also update known historical costs for the treatment of Bullabulling ore, and define the range of costs to be used for preliminary pit optimisation studies. The final output of the study will be to develop various economic scenarios for

mining and processing the gold mineralisation at Bullabulling based on a new JORC resource currently being calculated. The results of both studies will then be combined to finalise resource development, processing and mining options prior to the potential commencement of a Feasibility Study in Q4 2010.

Two of the seven diamond drill holes (totalling 1,432m) that were planned from recommendations from the Structural study have been completed. One hole was drilled from the bottom of the Bacchus pit and the other from the hanging wall of the Phoenix pit. A total of 356 metres of core and 200 metres of RC pre-collars have been drilled to date. Drill production rates are as planned and consequently the program will be completed by the end of July.

For further information please check our website (www.auzex.com) or contact John Lawton (Managing Director) or Greg Partington (Operations Director) on +617 3333 2822 or +614 48700987 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.