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ASX RELEASE

Drilling successfully confirms excellent vertical and lateral continuity at Bullabulling Gold Project.

Highlights

- **Drilling successfully confirms the excellent vertical and lateral continuity established from the recent structural study and new Inferred Resource estimate.**
- **New mineralisation has been intersected that occurs outside the new Inferred Resource.**
- **There is good reconciliation between intersected mineralised intercepts and adjacent historic drill intersections.**

A program of seven drillholes totalling 1,396m has been completed over a 2.5km section of the 6km Bullabulling Trend and all assays have been received (see figure). Better intersections include:

- **Drillhole AZBBRD0001: 15m at 1.64g/t Au from 126m, including 4m at 4.91g/t Au from 132m;**
- **Drillhole AZBBR0004: 14m at 1.67g/t Au from 77m, including 4m at 4.41g/t Au from 87m;**
- **Drillhole AZBBRD0006: 25m at 1.69g/t Au from 144m, including 1m at 37.4 g/t Au from 144m.**

The drill program planned to intersect known mineralisation between Bacchus and Phoenix pits and was designed to primarily provide detailed structural information related to grade and allow detailed geological data to be collected from the hanging wall through to the footwall of the Bullabulling shear zone, which is approximately 500m wide. The

drillholes were also planned to continue deeper than the historic drilling to test for new zones of mineralisation and provide information to check the new JORC compliant Inferred Resource model and this was confirmed. A summary of significant intersections are given in the table of drill results and the results are described in detail below.

Hole	From	To	Width	Au g/t
AZBBRD0001	93.00	94.00	1.00	4.59
AZBBRD0001	111.00	122.00	11.00	0.51
including	111.00	113.00	2.00	1.30
AZBBRD0001	126.00	141.00	15.00	1.64
including	132.00	136.00	4.00	4.91
AZBBRD0001	277.00	278.00	1.00	2.15
AZBBRD0001	316.00	317.00	1.00	2.02
AZBBRD0001	354.42	370.00	15.58	1.26
including	354.42	360.00	5.58	1.93
including	365.00	370.00	5.00	1.66
AZBBRD0003	63.00	109.00	46.00	0.76
including	63.00	66.00	3.00	5.38
including	65.00	66.00	1.00	14.30
including	86.00	87.00	1.00	6.62
AZBBRD0004	77.00	91.00	14.00	1.67
including	87.00	91.00	4.00	4.41
AZBBRD0004	107.25	113.00	5.75	3.09
AZBBRD0005	68.00	78.00	10.00	0.89
AZBBRD0005	156.00	161.00	5.00	1.54
AZBBRD0006	1.50	4.00	2.50	2.10
AZBBRD0006	30.00	32.00	2.00	1.06
AZBBRD0006	53.00	64.00	11.00	0.52
AZBBRD0006	144.00	169.00	25.00	1.69
including	144.00	145.00	1.00	37.40
AZBBRD0007	3.00	10.00	7.00	1.09
AZBBRD0007	25.00	31.00	6.00	0.46
AZBBDD0007	46.00	47.00	1.00	1.97
AZBBRD0007	59.00	61.00	2.00	0.78

Summary of intersections at a 0.3 g/t cut off with 4m internal dilution

Bullabulling Diamond Drill Program: Drillhole collar locations, depths and orientations

Hole	Easting AGD 84	Northing AGD 84	RL	Dip	Az	Depth	Area
AZBBDD0001	299,198.64	6,566,114.06	432.26	-50.00	90.00	420.5	Bacchus South
AZBBDD0002	299,276.54	6,566,371.48	428.98	-50.00	70.00	159.3	Bacchus South- Bacchus North
AZBBDD0003	299,290.18	6,566,538.50	431.33	-60.00	90.00	159.8	Bacchus North
AZBBDD0004	299,843.06	6,567,383.02	438.56	-60.00	90.00	153.7	Phoenix
AZBBDD0005	299,712.08	6,567,578.82	439.65	-60.00	90.00	192.8	Phoenix
AZBBDD0006	299,431.96	6,565,941.57	370.37	-50.00	105.00	198.8	Bacchus South
AZBBDD0007	299,839.04	6,567,580.96	415.42	-60.00	90.00	108.8	Phoenix

Drill hole collar details with coordinates in AMG, AGD 84

Summary of Drill Program

Seven drillholes were budgeted totalling 1,432m, with seven holes completed for 1,396m including 200m of RC pre-collars. Fewer metres were drilled than planned due to the failure of one hole to reach the target depth due to bogged drill rods.

Drill-hole AZBBRD0001 was planned to test the western lode in the Bacchus South pit below the floor of the current pit and to test for deeper mineralisation beneath the current pit. The drilling was planned so that holes AZBBRD0001 and AZBBRD0006 provide a complete section through the entire width of the Bullabulling shear zone. The hole was planned to a target depth of 392m and was drilled to 420m. Mineralisation was expected to be intersected at 116m but was instead intersected between 126m and 141m with 15m at 1.64 g/t Au intersected, including 4m at 4.91 g/t Au from 132m. A low grade zone was also intersected above the target zone with 11m at 0.51 g/t Au intersected from 111m, including 2m @ 1.30 g/t Au from 111m. Importantly, a new zone of mineralisation was intersected beneath the mineralisation mined historically with 15.58m at 1.26 g/t Au intersected from 354.42m, including 5.58m at 1.93 g/t Au from 354.42 and 5m at 1.66 g/t Au from 365m. This intersection confirms the structural model of stacked lodes in the footwall of the Bacchus mineralisation. This intersection is also located outside the current resource model.

Drill-hole AZBBRD0002 was planned to intersect a north east oriented lode that links the gold deposits in the Bacchus South and Bacchus North pits. This structure was targeted

because it has not been exposed in the pits and because of its orientation may host higher grade mineralisation. The hole was planned to a target depth of 220m and was drilled to 162m. The target was expected to be intersected at 176m, but the hole failed to reach this depth due to bogged drill rods and the target was not intersected. No significant assays were returned from this hole.

Drill-hole AZBBRD0003 was planned to target a high grade segment of the steeper dipping portion of the lode in the Bacchus North deposit. This hole is collared 60 m west of the pit and was planned to a target depth of 160m, which was achieved. Mineralisation that corresponds to the targeted linking structure was intersected as planned with 46m at 0.76 g/t Au from 63m. This intersection includes zones of higher grade mineralisation including 3m at 5.38 g/t Au from 63m, 1m at 14.3 g/t Au from 65m and 1m at 6.62 g/t Au from 86m. The width of the mineralisation intersected was greater than expected as were the grades of the higher grade parts of the mineralised structure.

Drill-hole AZBBRD0004 was planned to test for the interpreted continuation of gold mineralisation between the Bacchus North and Phoenix pits, which could allow the Bacchus and Phoenix pits to be combined into a single pit with a strike length of more than 2, 500m. The hole was planned to a target depth of 150m and was drilled to 154m. Mineralisation was expected to be intersected at 84m. The holes successfully intersected the targeted mineralisation between 77m and 91m with 14m at 1.67 g/t Au, including 4m at 4.41 g/t Au from 87m. A shoot was also intersected below the targeted shoot with 5.75m grading 3.09 g/t Au intersected from 107.25m. In addition, a number of low grade zones were intersected in the upper part of the hole. The lower zone of mineralisation represents a new target that will add to the current resource.

Drill-hole AZBBRD0005 was planned to intersect the lodes mined in the Phoenix pit below the level of current mining. The hole was planned to a target depth of 200m and was drilled to 193m. The hole was planned to intersect mineralisation at 75m and 160m respectively. Both zones of mineralisation were successfully intersected with 10m at 0.89 g/t Au from 68m and 5m at 1.54 g/t Au returned from 156m. The hole confirms the targeted mineralisation continues at depth beneath the current pit.

Drill-hole AZBBRD0006 was planned to intersect a North West trending lode mined in the Bacchus South pit. Mineralisation was planned to be intersected between 42m and 57 m. The hole also tested for new zones of mineralisation in the footwall of the deposit. The hole was planned to a target depth of 200m and was drilled to 198m. The mineralised lodes mined in the Bacchus South pit were successfully intersected with 2.5m at 2.1 g/t Au returned from 1.5m and 2m at 1.06 g/t Au from 30m and 11m at 0.52 g/t Au from 53m. A number of narrow high grade zones of mineralisation including 1m at 37.4 g/t Au from 144m (visible gold was identified at this intersection) and wider low grade intersections, including 25m at 1.69 g/t Au from 144m were also returned below the target that represents new mineralisation targets in the footwall that are not included in the current resource.

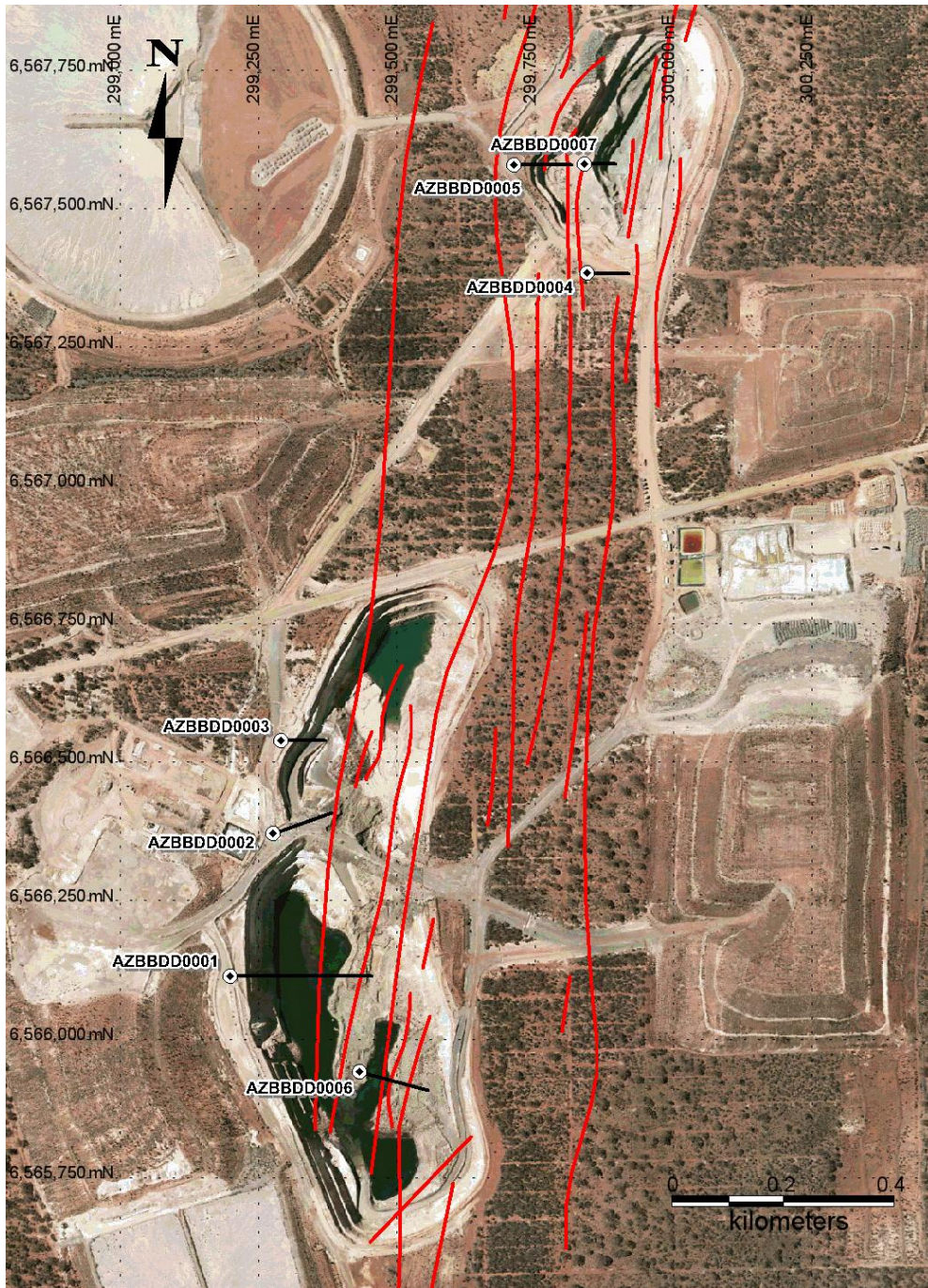
Drill-hole AZBBRD0007 was planned to test the highest grade part of the eastern most lode below the Phoenix pit. The hole was planned to a target depth of 110m and was drilled to 109m. Mineralisation was expected to be intersected at 60m. Narrow low grade mineralisation was intersected at the target depth with 2m at 0.78 g/t Au intersected from 59m. Two zones of mineralisation that were unexpected were intersected higher up in the hole with 7m at 1.09 g/t Au intersected from 3m and 6m at 0.46 g/t Au from 25m.

For further information please check our website (www.auzex.com).

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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.



Location of diamond drill holes in relation to historic pits and interpreted gold lodes