BULLABULLING
GOLD LIMITED
ABN 50 153 234 532

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METALLURGICAL RESULTS REINFORCE POTENTIAL FOR REAGENT COST SAVINGS

Bullabulling Gold Limited is pleased to report that metallurgical test-work results have been received that provide further support for the potential to significantly reduce reagent consumption at the proposed Bullabulling Gold Project.

- Test results indicate nanofiltration could reduce lime consumption by up to 87.2%
- Average cyanide consumption was 28.0% lower in nanofiltered water
- Results support potential to achieve significant savings in operating costs
- New diamond core is now available for gold recovery and variability test-work

Preliminary test-work on mineralised reverse circulation drill samples from Bullabulling had indicated that nanofiltration of process water could substantially reduce consumption of cyanide and lime (see release of 12 March 2014).

A more comprehensive test-work program was subsequently initiated to validate the initial nanofiltration results and further optimise processing parameters. This work, which was carried out on primary mineralised diamond core from a 2012 drilling program, has included a further 18 leach tests comparing reagent consumption at various pH levels and cyanide concentrations in nanofiltered water and raw bore water. The results of this program have now been received and are consistent with the outcome of the preliminary test-work.

The latest test-work has shown that using nanofiltration to reduce magnesium levels in the process water, significantly reduces the amount of lime required to achieve targeted pH levels in the gold leaching circuit.

Tests were carried out in raw water at pH levels of 8.5 to 9.5, with 1.53kg of lime required for each tonne of ore to achieve a pH of 9.5. In nanofiltered water, pH levels of 9.5 to 10.5 were able to be achieved with much lower lime addition. A pH of 9.5 was maintained with lime consumption of only 0.20 kg/t, 87.2% less than the lime consumed for a 9.5 pH in raw water.

Cyanide consumption is generally lower at elevated pH levels. However tests at the common pH of 9.5 showed that cyanide consumption was 16.5% lower in nanofiltered water than in raw water at the same pH level. Average cyanide consumption in all nanofiltration tests was 28.0% lower than in the raw water tests. Lime and cyanide consumption rates over the range of pH levels tested are presented graphically in Figure 1. It should be noted that these results are intended to enable a comparison of reagent consumption in nanofiltered water relative to raw bore water and final estimates of operational consumption may vary from these numbers.

As previously reported, cyanide and lime are major components of the estimated operating cost for the Bullabulling Gold Project. Therefore a reduction in the consumption of these reagents of the magnitude indicated by the test-work results has potential to significantly reduce gold production costs.

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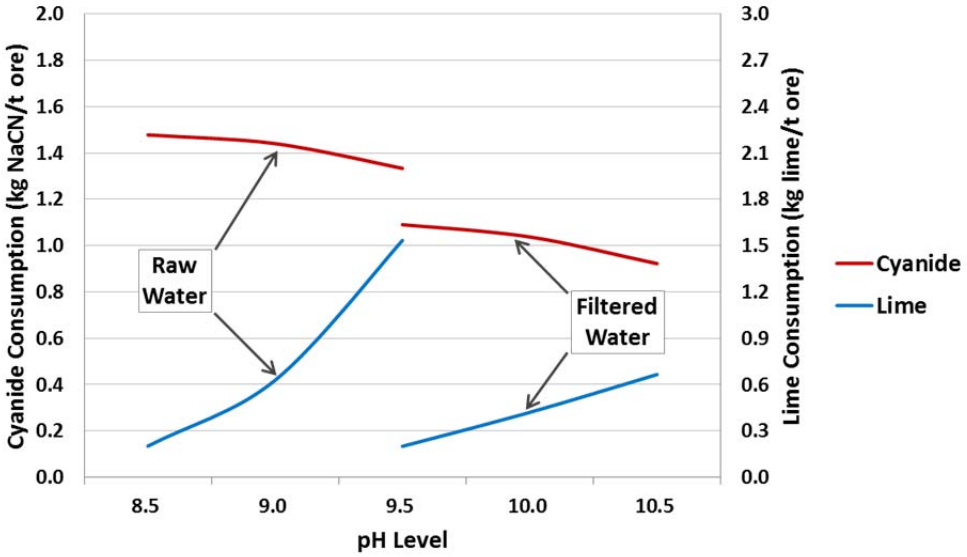

Figure 1: Cyanide and lime consumption at various pH levels

An initial phase of flotation test-work has also been performed. Flotation tests were carried out at grind sizes between 75µm and 212µm to determine whether there was potential to save energy costs by concentrating the gold mineralisation at a coarse grind size and or improve gold recovery through intensive grinding and leaching of a low volume concentrate.

The Bullabulling mineralised samples responded well to flotation, with 87% to 95% of sulphides reporting to a flotation concentrate of less than 5% of initial sample mass, as shown in Table 1. Most of the gold also reported to the flotation concentrate, indicating that there may be scope to lift overall gold recovery by subjecting the concentrate to fine grinding and intensive leaching. However there was a material amount of gold remaining in the flotation tail that is likely to require recovery through conventional grinding and leaching. This suggests that the potential to deliver major savings in energy costs through coarser grinding is low.

The potential merits of implementing flotation as a means of increasing gold recovery will be further evaluated.

Table 1: Summary of Flotation Results

Grind Size	Concentrate Mass	Sulphur Recovery	Gold in Concentrate
212µm	4.3%	87.0%	61.2%
150µm	4.2%	91.8%	65.6%
106µm	3.7%	94.6%	71.6%
75µm	3.6%	95.3%	74.3%

The next phase of test-work will focus on establishing gold recovery factors under the optimised process conditions and testing the variability of metallurgical performance in different areas of the deposit. This work will utilize new mineralised sample from a diamond drilling program completed at Bullabulling in early May. Logging and physical testing of the core from this program has been completed, with the core now cut and dispatched for multi-element analysis. Full assay results are expected by the end of this month.

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About Bullabulling Gold Limited

Bullabulling Gold Limited is listed on the Australian Securities Exchange (ASX:BAB) and London's AIM Market (AIM:BGL) and has approximately 350 million shares on issue. The Company's primary asset is the wholly owned Bullabulling Gold Project, located 60 kilometres west of Kalgoorlie in Western Australia.

The Bullabulling Gold Project hosts estimated Mineral Resources of 3.75 million ounces comprising Indicated Resources of 72.4 million tonnes at 0.98 g/t gold (2.28 million ounces) and Inferred Resources of 41.6 million tonnes at 1.11 g/t gold (1.47 million ounces). Exploration has demonstrated strong potential for further expansion of the resource base.

The Bullabulling deposit is amenable to bulk tonnage open pit mining and conventional CIL processing. All resources are situated on granted Mining Leases in close proximity to infrastructure.

The Company is conducting a definitive feasibility study into the development of a large scale, low cost mining operation at Bullabulling, scheduled for completion in Q1 2015.

Competent Person Statement

The information in this report that relates to the Exploration Results, Mineral Resources or Ore Reserves is based upon, and fairly represents, information and supporting documentation compiled by Mr Trevor Pilcher, who is a full time employee of the Company and is a member of The Australasian Institute of Mining and Metallurgy. Mr Pilcher has sufficient experience relevant to the style of mineralisation and type of deposit under consideration and the activity in which he is undertaking to qualify as a Competent Person under 2012 Edition of the Australasian Code for Reporting Exploration Results, Mineral Resources and Ore Reserves (JORC Code). Mr Pilcher consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.

The information in this report that relates to the Exploration Results, Mineral Resources or Ore Reserves was prepared and first disclosed under the JORC Code 2004. It has not been updated since to comply with the JORC Code 2012 on the basis that the information has not materially changed since it was last reported.