



5 August, 2009

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## NEWS RELEASE – ZEDEX MINERALS LIMITED (ASX:ZDX)

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### **BAU GOLD PROJECT, MALAYSIA Scoping Studies Examine Production Potential**

Zedex Minerals Limited (Zedex) is pleased to announce the commencement of a preliminary financial assessment by independent mining consultants at its Bau Gold Project in Sarawak, East Malaysia. The objectives are to examine the potential for: (a) developing a full-scale commercial gold production operation by mid 2012 and (b) interim generation of cash-flow by selective production from gold mineralization zones that have been deemed amenable to low-cost development.

The first of these studies will examine the feasibility of recovering gold from approximately 3.2 million tonnes (Mt) of auriferous mine tailings contained within the historic BYG mine-site near the centre of the Bau Goldfield. Last year, these tailings were examined by Ashby Consultants Ltd of New Zealand (refer to market release dated 5 November, 2008), who estimated them to contain a JORC compliant gold resource of 135,000 oz (refer table below).

Initial tailings beneficiation trials will be conducted to physically and chemically characterize the tailings materials, quantify gold recovery parameters and determine the optimum gold recovery process. Gold determinations will be by fire-assay at an accredited independent laboratory,

Zedex's Managing Director, Paul Seton, said: "auriferous tailings within the project area are considered capable of low-cost extraction and slurry transport to the existing, closely adjacent plant site. Should further test-work conclusively demonstrate that the contained gold can be economically recovered, then the existing plant site could be redeveloped with the construction of a tailings process plant, comprising gravity and cyanide-leach circuits, at relatively low capital cost. Envisaged annual gold production would be in the order of 10,000 oz, but better than average returns would initially be sought from a higher grade zone, which is known to average 1.61g/t Au."

He went on to add that; "We regard this tailings gold recovery operation as a potentially attractive interim step. Early cash-flow could essentially self-fund the ongoing exploration programme and materially reduce the Company's need for external capital raising as it moves in the medium-term towards full-scale development of the substantial tonnage of gold mineralization that has so far been identified within the central Bau Goldfield."

### **BACKGROUND**

The Bau Gold Project in Sarawak, East Malaysia comprises consolidated Mining and Exploration tenements that collectively cover 828 km<sup>2</sup> of the most highly-prospective ground within the Bau Goldfield. Operating intermittently since 1864, the Bau goldfield has recorded recent gold production of 1.5 million oz, with estimated historic production of more than 3.0 million oz. Zedex holds majority interest and is operator of the Bau Gold Project Joint Venture.

The Bau Gold Project has an existing JORC status gold resource of 1.612 M.oz (refer to market release dated 27 November 2008 and table below), plus geological potential for a further 3.3 to 4.5 M.oz of gold. This potential includes 20 – 25 Mt @ 1.20 – 1.50 g/t Au for 0.8 – 1.2 M oz Au at the Sirenggok porphyry gold prospect, plus 13 – 15Mt @ 6.0 – 7.0 g/t Au for 2.5 to 3.3M oz

Au within nearby vein and vein-breccia zones (as estimated by independent consultant - refer to market release dated 23 October, 2008).

<b>BAU GOLD PROJECT JORC STATUS RESOURCES</b>					
<b>SECTOR</b>	<b>Tonnes (Mt)</b>	<b>Grade (g/t Au)</b>	<b>Cutoff (g/t Au)</b>	<b>Category</b>	<b>Contained Gold (oz)</b>
Sirenggok	7.185	1.23	0.75	Inferred	310,000
Pejiru	8.576	2.24	1.00	Inferred	497,000
Jugan	9.226	1.66	1.00	Indicated	492,000
Jugan	2.514	2.202	1.00	Inferred	178,000
BYG Mine Tailings	1.291	1.332	0.62	Indicated	55,000
BYG Mine Tailings	1.878	1.332	0.62	Inferred	80,000
<b>Total:</b>					<b>1,612,000</b>

## **OTHER PRIME ASSETS**

In addition to the Bau Project, Zedex holds:

- 27.4% interest (approximate) in Olympus Pacific Minerals Inc (Olympus). Olympus has a NI 43-101 status gold Resource in Vietnam of 1.61 million ounces and is currently producing at 30,000 ounces per annum with further plant expansion expected to generate a higher production target, from existing resources. This investment in Olympus has a present market value of about AUD22.5 million
- An additional 2% gross production royalty over sales from Olympus' Bong Mieu Gold Mine in Central Vietnam.
- Beyond the Bau Gold Project, the Bau Joint Venture company also holds a number of regional exploration tenements, covering highly prospective, but relatively unexplored terrain in Sarawak, East Malaysia.
- 75% interest in the Tien Thuan Gold Project in Central Vietnam, where Zedex is also targeting multi-million oz gold potential.

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*Zedex is an active gold development company focused on being a leading player in the South East Asian and Pacific region.*

Scientific or technical information in this news release has been prepared under the supervision of Rod Murfitt, who is a member of the Australasian Institute of Mining and Metallurgy (AusIMM) and a Competent Person, as defined in the 2004 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves" (the JORC Code). Mr Murfitt consents to the inclusion in this report of the Information, in the form and context in which it appears.

Geological resource potential is conceptual in nature and insufficient exploration has to date been completed to allow estimation of a mineral resource, as defined in the JORC code. It is uncertain whether further exploration will result in the determination of a mineral resource. The information in this report relating to Geological Resource Potential is based on information independently compiled and reported by Murray Stevens, who is a member of the Australasian Institute of Mining and Metallurgy and who is employed by Stevens and Associates Ltd. Murray Stevens has sufficient experience which is relevant to the style of mineralization and type of deposit under consideration and to resource estimation 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." Murray Stevens consents to the inclusion in the report of the matters based on His information in the form and context in which it appears.