



HODGES
Resources Limited

ASX Code: HDG

Fully paid shares:
47,354,029

Unlisted options:
16,250,000

**Announcement to the Australian Stock Exchange
11th May 2010**

Acquisition of Salman South and Mame Gold prospects, Ashanti Trend, Ghana.

Highly prospective gold acquisition within one of the world's largest mineral camps, the Ashanti Gold Belt.

Located 1.5km down strike from Adamus Resources 1.1 Moz Salman Gold deposit.

Limited exploration completed to date showing strong indicators of significant gold anomalism.

BOARD MEMBERS

Peter Mullens – Chairman
Mark Major – Managing Director
Nathan McMahon – Non-Exec Director
Bryan Dixon – Non-Exec Director

CORPORATE DIRECTORY

Company secretary - Lisa Wynne

Stock exchange listing:
Australian Securities Exchange
Code: HDG, HDGO

Solicitors:
DLA Phillips Fox
Level 32, 44 St George's Terrace
Perth WA 6000 visit us on the Web:
www.adatum.com

Auditors
Ord Partners Chartered Accountants
Level 2, 47 Colin Street
West Perth WA 6005

Share registry
Advanced Share Registry Services
110 Stirling Highway
Nedlands WA 6009
Telephone (08) 9389 8033
Facsimile (08) 9389 7871

HEAD OFFICE

Level 1, 22 Oxford Close
West Leederville, WA 6007
Telephone : (08) 9380 4600
Facsimile : (08) 9381 5911
Email : info@hodgesresources.com.au

Hodges Resources Ltd is pleased to announce that it has reached agreement with Wells Gold Corporation (International) Limited, to acquire its shares and interest in the Salman South and Mame gold prospects in southern Ghana.

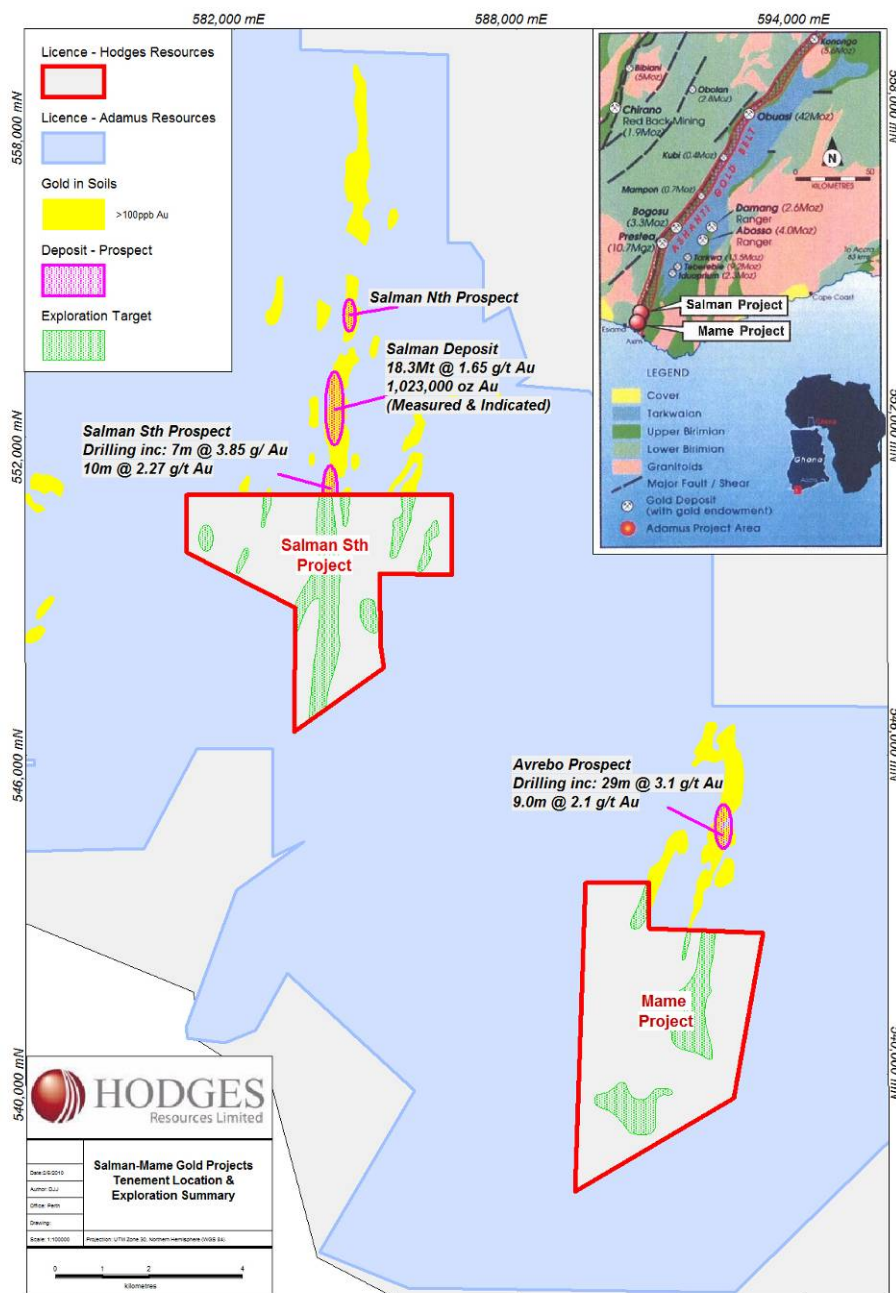
The Salman South and Mame prospecting license are located (Figure 1) within the southern extension of the Ashanti Gold Belt, one of the most highly endowed gold trends in the world, hosting numerous major deposits including those at Konongo (5.6Moz), Obuasi (42Moz), Bogosu (3.3Moz) Presta (10.7Moz) and Salman (1.1Moz), which collectively represents a gold endowment in excess of 60Moz.

Work completed by the previous owner and the neighboring companies have shown that both prospects have good supergene and oxide hosted gold potential. The presence of artisanal workings and old colonial mines within the license area, together with the wide spread gold geochemical anomalies and encouraging drill intersections shows a good potential for significant gold systems within the area.

Significantly the project areas have had minimal exploration.

THE SALMAN AND MAME PROSEPECTS

The prospects lie within the highly endowed mineralized gold structure termed the Ankobra Lineament which is the eastern-most of two structures extending southwards from Prestea to the coast at Axim; and represents the southern extension of the Ashanti Shear Zone (ASZ). The ASZ extends for over 240km and is one of the most highly endowed gold trends in the world.



Primary gold mineralisation is found within the metasedimentary rocks and the volcanic rocks of the Birimian Supergroup, and along the contact between the two groups at Salman and Mame.

There are two recognised styles of orogenic gold mineralisation present.

1. Structurally controlled, shear-hosted gold bearing quartz veins;
2. Quartz vein stockworks associated with altered granitoid intrusive.

The Salman South prospect is situated approximately 1.5 km south of the Adamus Resources' 1.1Moz Salman deposits (Figure 2). Adamus identified several discrete gold deposits along the Salman shear zone which continues south through our tenement to the Gulf of Guinea coast between Asanta and Sawoma.

The Mame (Figure 3) deposit is 8km south east of Salman south and just 2km south of Adamus Resources Avebo prospect.

Figure 1. Salman South and Mame Gold Projects Tenement Location.

Recent announcements of Adamus (11 October 2007 and 31 January 2008) have stated significant gold drill intersections of:

- 29m @ 3.31g/t Au from surface in RC hole AVRC034
- 25m @ 2.19g/t Au from 48m to 73m in RC hole AVRC039
- 11m @ 3.87g/t Au from 14m to 25m in hole AVRC061
- 27m @ 2.02g/t Au from 14m to 41m in hole AVRC06

EXPLORATION HISTORY

As stated above, the Salman South and Mame tenements have long been an area of artisanal and British colonial gold mining activities. Workings in the Mame area were initially developed around 1880 with the most notable working developed in the 1930s where abundant native workings aligned in a north-south direction where two colonial shafts and an adit had collapsed.

Basic reconnaissance gold exploration work consisted of exploration pits, stream sediment and soil geochemical sampling. From 1994 to 1996, BHP Minerals (Ghana) Inc. conducted an extensive soil geochemical sampling program over the Niagara (Poseidon Nickel) concessions. A total of 576 soil samples were collected, 18 stream sediment samples, & 51 rock chip samples were collected. Using a 200ppb gold threshold significant anomalies (up to 2,280ppb Au) were found in a northeast trend which continues along the Salman shear zone into the adjacent from Adamus Resources' Salman South and Central deposits. This anomaly is up to 600m wide by 1250m in length within our prospecting license.

More recent exploration was completed in late 2006 through to early 2007 by Wells Gold Corp. The objectives of the drilling program were to test the gold in soil anomalies as outlined by the BHP work. A total of 38 reverse circulation holes (3,201m) were drilled within the Salman concession and 138 rotary air-blast holes (3,763m) were drilled at the Mame concession during this program.

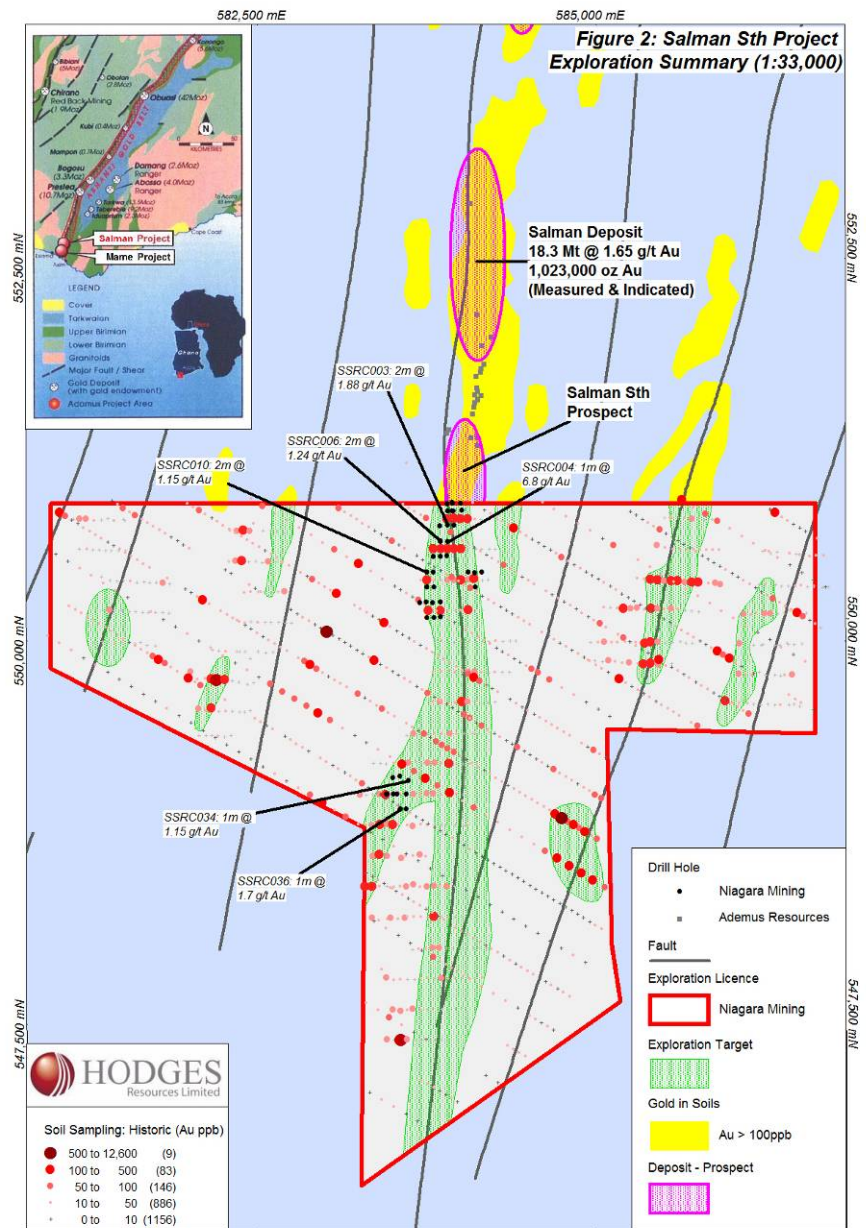


Figure 2 - Salman South Exploration Summary

Significant intersections of note from the first pass drilling by Wells included:

Salman South

- 3m @ 2.51g/t Au from 58 to 61m in RC hole SSRC004;
- 2m @ 1.91g/t Au from 20 to 22m in RC hole SSRC003;
- 2m @ 1.18g/t Au from 2 to 4m in RC hole SSRC010.

Mame

- 4m @ 7.85g/t Au from 24 to 28m in hole MARB020;
- 3m @ 1.29g/t Au from 16 to 19m in hole MARB022;
- 11m @ 1.42g/t Au from 13 to 24m in hole MARB070; and
- 14m @ 3.20g/t Au from 33 to 47m in hole MARB104.

TERMS OF THE AGREEMENT

Hodges will acquire 100% of the issued capital in Wells Gold Corporation (international) Limited, including all rights and interests in the Salman South and Mame prospects.

Wells Gold Corporation (International) Pty Ltd (“Wells”) is a 100% owned subsidiary of Poseidon Nickel Limited (“Vendor”). Well’s owns 90% of the subsidiary Company, Niagara Wells Mining Company Limited (“Niagara”), which in turn owns the rights to 80% ownership in the prospect licenses. The remaining 20% is split equally between the Ghanaian government and Sanu Resources (“Sanu”).

Niagara is party to a farm-in joint venture agreement with Sanu; whereby Niagara has earned an 80% right to Prospecting License 25639 – the “Salman South and Mame” Gold Projects located in the East Nzema District of south west Ghana.

As consideration for the acquisition, Hodges will pay \$750,000 and issue 1,250,000 Ordinary Shares. The agreement is contingent on the Vendor obtaining approval of the relevant minister of the government of the Republic of Ghana’s to transfer the Prospecting License to Niagara.

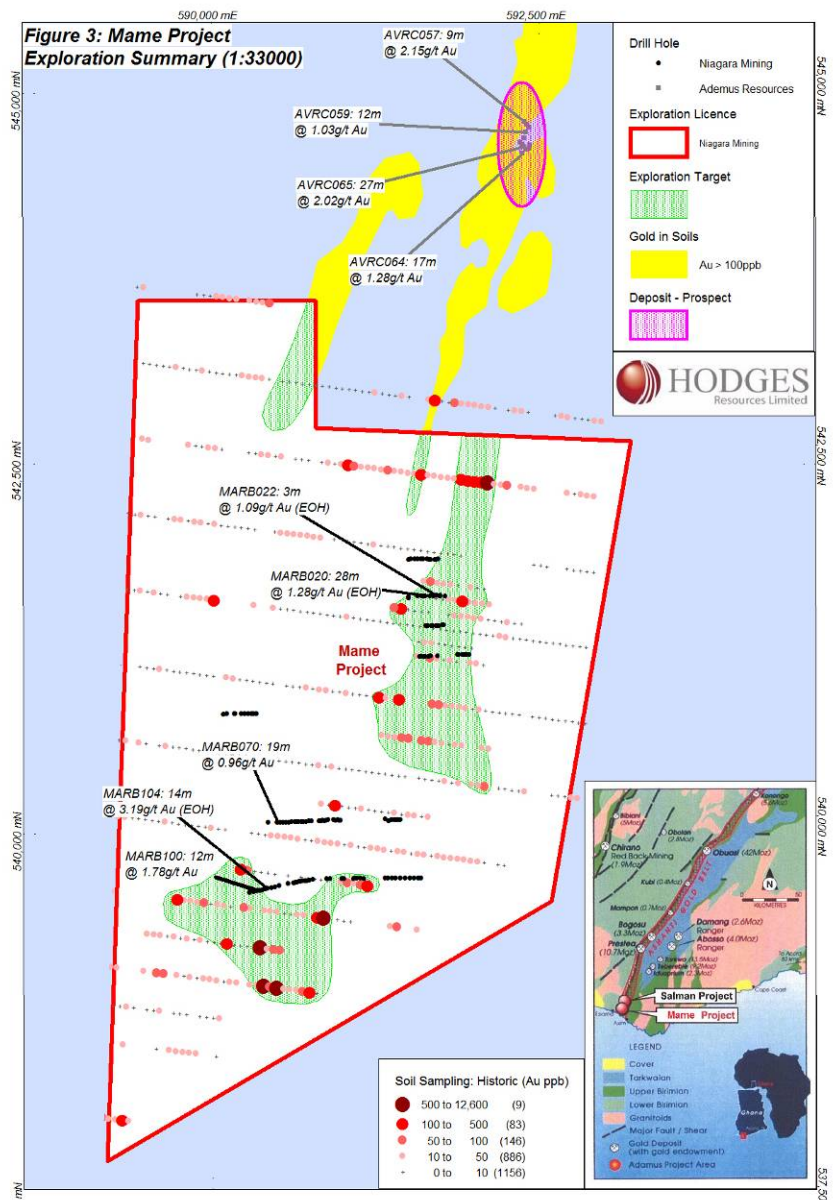


Figure 3 - Mame Project - Exploration Summary

Under the terms of the Agreement, the Vendor has an election to buy-back 30% of Hodges interest in the Project at market value upon Hodges defining a JORC compliant 400,000 ounce gold resource. In the event that the Vendor does not make such an election, Hodges will pay a final payment of \$500,000 and issue a further 500,000 Ordinary Shares.

CONCLUSIONS

Hodges Managing Director Mark Major said “the Ashanti shear zone is one of the most prospective and sought after exploration areas in Ghana. With the success of Adamus Resources Salman deposit 1.5km’s to the North, and with the knowledge that this mineralized shear zone continues into the Salman South prospecting license combined with the positive first pass exploration on both prospects, provide me with great confidence in exploring over these obvious high priority targets.”

Hodges plans to commence on ground exploration at Salman South and Mame in June involving regolith mapping, trenching, soil sampling and drilling.

Please contact either Mark Major or Nathan McMahon should you have any queries on this announcement.

Mark Major
Mobile +61 447 954 112

Nathan McMahon
Mobile +61 411 124 542

Competent Persons Statements

The information in this report that relates to Exploration Results is based on information compiled by independent consultant Mr Dylan Jeffriess, who is a Member of The Australian Institute of Geoscientists, R.P. Geo Mineral Exploration. Mr Jeffriess has sufficient experience which 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’. Mr Jeffriess consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.