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ASX RELEASE

Amendment to ASX Announcement Released Monday -

Bullabulling Phase One Drilling Program delivers 2.60 million ounces JORC Compliant Resource

After guidance from the ASX Company Announcements Office in Brisbane, Auzex Resources has amended the previous ASX release – refer attached. The amendment relates to the reference of potential gold reserves at Bullabulling on pages 1, 3 and 5 and changes to the Competent Person Statements which now excludes reference to CSA Global whose signoff was not obtained in relation to the previous announcement.

Any and all references to reserves, potential reserves or expected conversion from resources to reserves have now been removed from the announcement detailing the updated and upgraded gold resources at Bullabulling.

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ASX RELEASE

Bullabulling Phase One Drilling Program delivers 2.60 million ounces JORC Compliant Resource

Highlights

- Results from the Phase One infill drilling program have produced a new JORC resource estimate of 2,603,000 ounces of gold at 1.03 g/t Au at a 0.5 g/t Au cut off.
- Phase One QAQC drilling was focussed between Bacchus and Phoenix pits (approximately 2.3km) and converted 711,700 ounces to an Indicated resource.
- Bullabulling has now been partially drilled to allow reporting to a JORC (2004) standard to enable the Joint Venture to move from JORC resources to reserves.
- The Phase Two 70,000m infill drilling program is currently underway aiming to upgrade a substantial portion of the Inferred resources to Indicated status by the end of the year so that an initial reserve can be estimated.
- A 20,000m exploration drill program is also in progress targeting Gryphon, Kraken, Minotaur and Edwards on southern extension of Bullabulling Trend.

Mineral Resource Estimate Overview

The Phase One JORC (2004) compliant Mineral Resource estimate for the Bullabulling Gold Project near Coolgardie, Western Australia has been updated to 78.84 Mt at 1.03 g/t Au (2.60 million ounces contained gold) using a 0.5 g/t cut-off (Indicated and Inferred). The new mineral resource has been estimated to the 200RL, approximately 230m below surface, and remains open at depth and to the south.

The Phase One drilling program totalling approximately 35,000m, primarily on QAQC (confirmation drilling), was completed in mid May 2011. Through a planned program of twinning and infill of previous drill holes, the project's geological consultant, the Snowden Group ("Snowden") based in Perth has confirmed the historic drill data as being statistically valid for use in a new resource estimate. Most of the Phase One drilling intersected known mineralisation in the previous resource estimate, which was prepared in mid August 2010. Subsequent statistical studies on defining the drill spacing for Indicated and Inferred resources were recently completed and the recommendations published recently (Monday 8th August 2011). The drill spacing recommended by Snowden for defining future Indicated resources (from Phase Two drilling) has been set at 75m north-south and 35m east-west.

The previous reported JORC (2004) compliant mineral resource was an Inferred resource of 41,517,000 tonnes at 1.48 g/t Au (1.98 million ounces of contained gold) at a 0.7 g/t Au cut-off to an assumed economic mining depth of 315m RL, approximately 120m below surface. The same resource at a 0.5 g/t Au cut off is an Inferred resource of 75,013,000 tonnes at 1.08 g/t Au (2.61 million ounces of contained gold).

The updated resource estimate for the Bullabulling Project, including the new QAQC drilling, was completed by Snowden Group (a summary letter describing the data and techniques used and the resource estimate is appended). The estimation used assays from all the historic reverse circulation (RC) and diamond drill hole data, but excludes the RAB drilling data (previously included in the August 2010 resource estimate), over a 9 km² area covering the Bullabulling Trend (Figure 1).

Multiple Indicator Kriging (MIK) was used to establish the resource estimate, after the data were unfolded, using Datamine and GSLIB software. Variography carried out on the unfolded data provided ranges of up to 208m along strike and 108m down dip. These

ranges were then used to design the primary search ellipse dimensions used in the modelling, which were 50m along strike, 25m down dip and 15m across strike. The variography reconciles well with the orientations of mineralised shoots derived from the recent structural study.

The Bullabulling Mineral Resources as of 3rd August 2011 are listed in Table 1. The Bullabulling Trend estimates were compiled by Snowden in 2011, the Gibraltar estimate was compiled in 2010 while the Laterite dump estimate was compiled from data taken from previous company reports dated 1998.

Table 1: Bullabulling Mineral Resource (3rd August 2011) at a 0.5 g/t cutoff (JORC, 2004)

Mineralisation Type	Cut off (g/t Au)	Class	Tonnes (Mt)	Gold grade g/t	Contained Ounces
Bullabulling Laterite	0.5	Inferred	1.6	0.89	45,700
Bullabulling Fresh	0.5	Indicated	21.0	1.01	691,000
	0.5	Inferred	50.9	1.03	1,683,900
*Bullabulling Trend Total			73.8	1.02	2,420,600
Gibraltar	0.5	Inferred	4.5	1.12	161,900
Laterite Dumps	0.5	Indicated	0.5	1.20	20,700
Grand Total			78.8	1.03	2,603,100

**Note: The Bullabulling Trend resource is quoted for blocks with a grade of greater than 0.5 g/t and the tonnage figures for the fresh mineralisation have been discounted by 7% to allow for the impact of barren pegmatite dykes.*

Recent feasibility studies on processing cost and mining cost estimations suggest a 0.5 g/t Au cut off is appropriate for this project at current gold prices and this, and future resource estimates, will be quoted at this cut off.

Commenting on the independent JORC compliant mineral resource estimate, John Lawton, Auzex's Managing Director said:

"The Bullabulling Gold project continues to demonstrate that Bullabulling is a very large and highly continuous system. Initial optimisation modelling based on the new resource estimate has indicated potential to achieve a viable project with a minimum mine life of approximately 10 years depending on the annual rate of production selected. All the holes drilled within the Phase One program are within optimised pit shells.

Further resource upgrades can be expected from the current phase two drill program from within the Bullabulling Trend which commenced in May 2011 and will run through to November 2011. Drilling is also in progress on exploration targets at the southern extension of the Bullabulling Trend such as Gryphon, Kraken, Minotaur and Edwards, which we expect will provide additional resources."

The resource estimate was reviewed statistically by Auzex, checked on plan and section and compared against the ore that was previously mined from the Bacchus North and South pits. The reconciliation against the ore mined was good with 3,679,000 tonnes at 1.39 g/t Au predicted by the estimate compared to 3,040,000 at 1.59 g/t Au reported as mined. The difference in tonnes and grade is largely due to the different block sizes used for mining compared to the resource estimate, with the larger block size used for the estimate resulting in a lower average grade, but higher tonnes for a similar number of ounces.

Reconciliation with previous resource estimate

There are a number of important differences between the estimate that was published in August 2010 and the current Snowden estimate that makes comparing them difficult.

The Snowden resource estimate

- excludes all previous RAB drilling (4,485 holes totalling 127,888 metres) previously included
- excludes the Gibraltar resource, which accounts for 162,000 ounces of gold at a 0.5 g/t Au cut off previously included
- reduced the reported resource estimate tonnage and consequently contained ounces of gold by 7% to take account of dilution due to unmineralised pegmatite dykes. This assumption was based on the amount of pegmatite dykes intersected in the total number of metres drilled in the Phase One program. The August 2010 estimate had no reduction for the pegmatite dykes as the model already assigned no grade to the unmineralised dykes.
- used a Multiple Indicator Kriged estimation approach which was reported at a 0.5 g/t cut off whereas the 2010 model used an Ordinary Kriged estimation technique with no top cut applied to the input data and was reported at a 0.7 g/t Au cut off. This has increased the tonnes and reduced the average grade of the reported August 2011 resource estimate.
- is effectively constrained to a maximum depth of approximately 230m, whereas the 2010 estimate was constrained by to an area above the 315 RL, which equates to a depth of 120m.
- uses a slightly larger block size of 25mx10mx5m compared to a 20mx10mx3m block size previously used. The larger block size will tend to lower the average grade and increase the tonnes.

- the material bulk densities used by Snowden are 1.8 for oxidised and 2.9 for primary compared to 1.8 for oxidised and 2.6 for primary in the previous model. The higher bulk density used in the Snowden model will increase the tonnes and consequently ounces of gold in the fresh material.

The areas modelled by Snowden are therefore significantly different from the previous model, which covers a larger area including Gibraltar and areas with RAB drilling (Figure 1). When compared over a similar area and depth, however, the two estimates give similar results if the differences in bulk density and block size are taken into account. Snowden will now work on a separate resource estimate for Gibraltar, which will require a different block size and search orientations.

Project Optimisation

Four optimisations scenarios were developed to check the new resource estimate and to assess the economic potential of the Project. The optimisations were carried out using a spot gold price (US\$1,500 and exchange rate of US\$1.07), recovery of 92.5%, a discount rate of 8% and process rates of 3.5, 5.0, 7.5 and 10mtpa. No mining dilution was applied on the basis that the MIK resource model incorporates some degree of dilution and a mining recovery of ore 95% was used.

All scenarios returned positive economics and all scenarios mine a main pit 3.1 km long and 180m deep and a second pit at Bonecrusher that is 1.0 km long and 120m deep (Figure 2). Importantly, all scenarios include a significant proportion of the new Indicated and Inferred resources. If new mineralisation can be found at the exploration targets to the south (Figure 2) or at depth the project economics will continue to improve.

Future work plan

There is now less than 45,000m of infill drilling required to convert a significant portion of Inferred resources to Indicated resources. This infill drilling should be completed by the end of November 2011.

The exploration targets in the south of the Bullabulling Trend at Sphinx, Medusa, Edwards, Gryphon, Kraken and Minotaur (Figure 2) will also be drilled during this period which should add to the current resource base. A new resource estimate will be completed once this phase of drilling has been completed by Snowden.

In addition we are advancing the following;

- Preliminary engineering design
- Capital and operating cost estimates
- Optimisation and reserve estimation
- Updating and upgrading resource estimate based on phase two drill program
- High grade deep exploration drilling
- Feasibility study

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

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Competent Person Statements

The information in this letter/report that relates to the Exploration results, the 1998 and 2010 Mineral Resource estimates and data that was used to compile the 2011 Mineral Resource estimates is based upon information compiled by John Lawton. John Lawton is a member of the Australasian Institute of Mining and Metallurgy (MAusIMM) and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity to 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 is a full-time employee of Auzex Resources Limited. 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.

The information in this letter/report that relates to the 2011 Mineral Resource estimate is based on information compiled by Richard Sulway. Richard Sulway is a member of the Australasian Institute of Mining and Metallurgy (MAusIMM) CP and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity to 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". Richard Sulway is a full-time employee of Snowden Mining Industry Consultants Pty Ltd. Richard Sulway consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

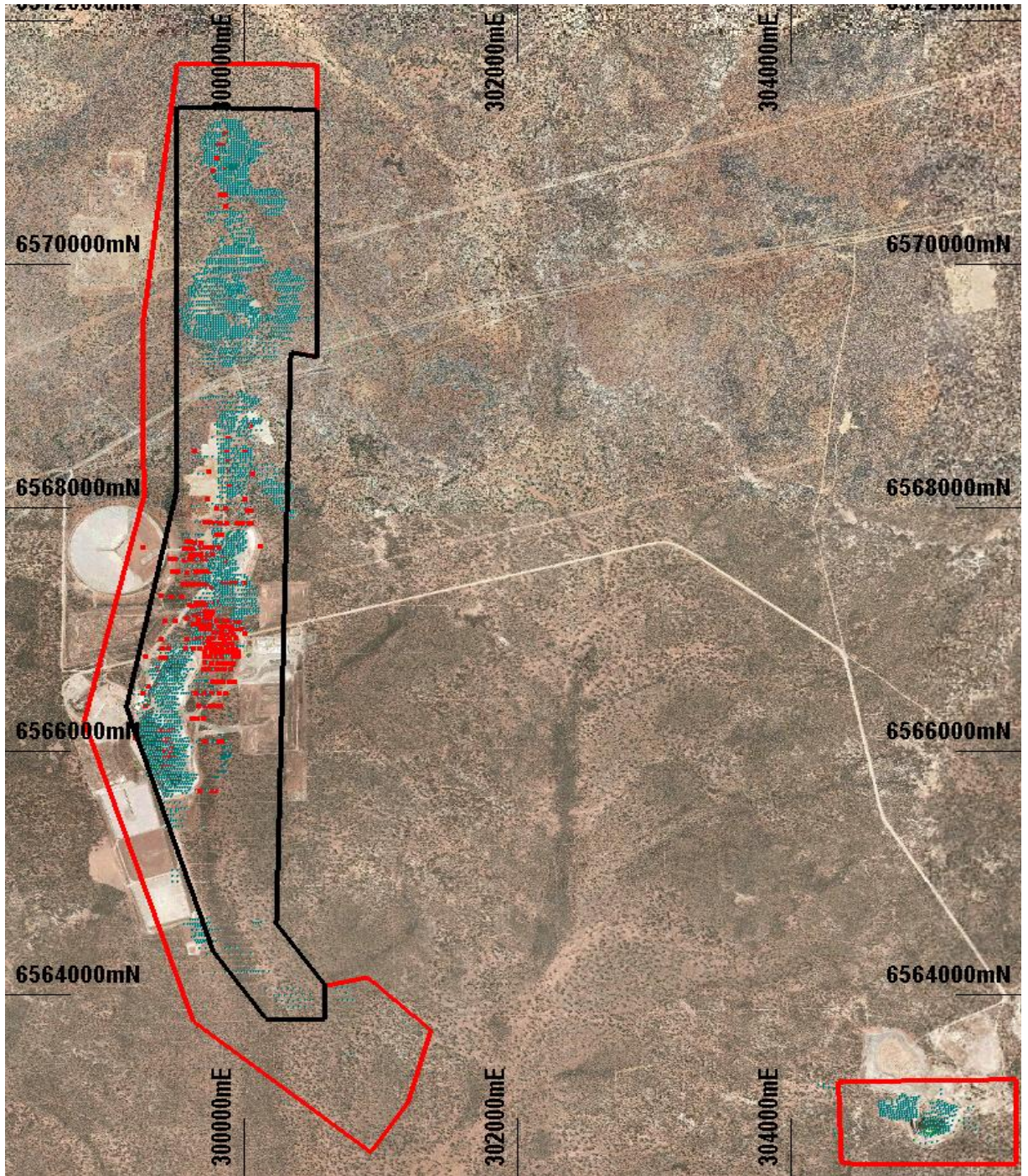


Figure 1: Areas covered by the CSA resource estimate (2010) in red and black compared to the Snowden estimate (2011) in black only

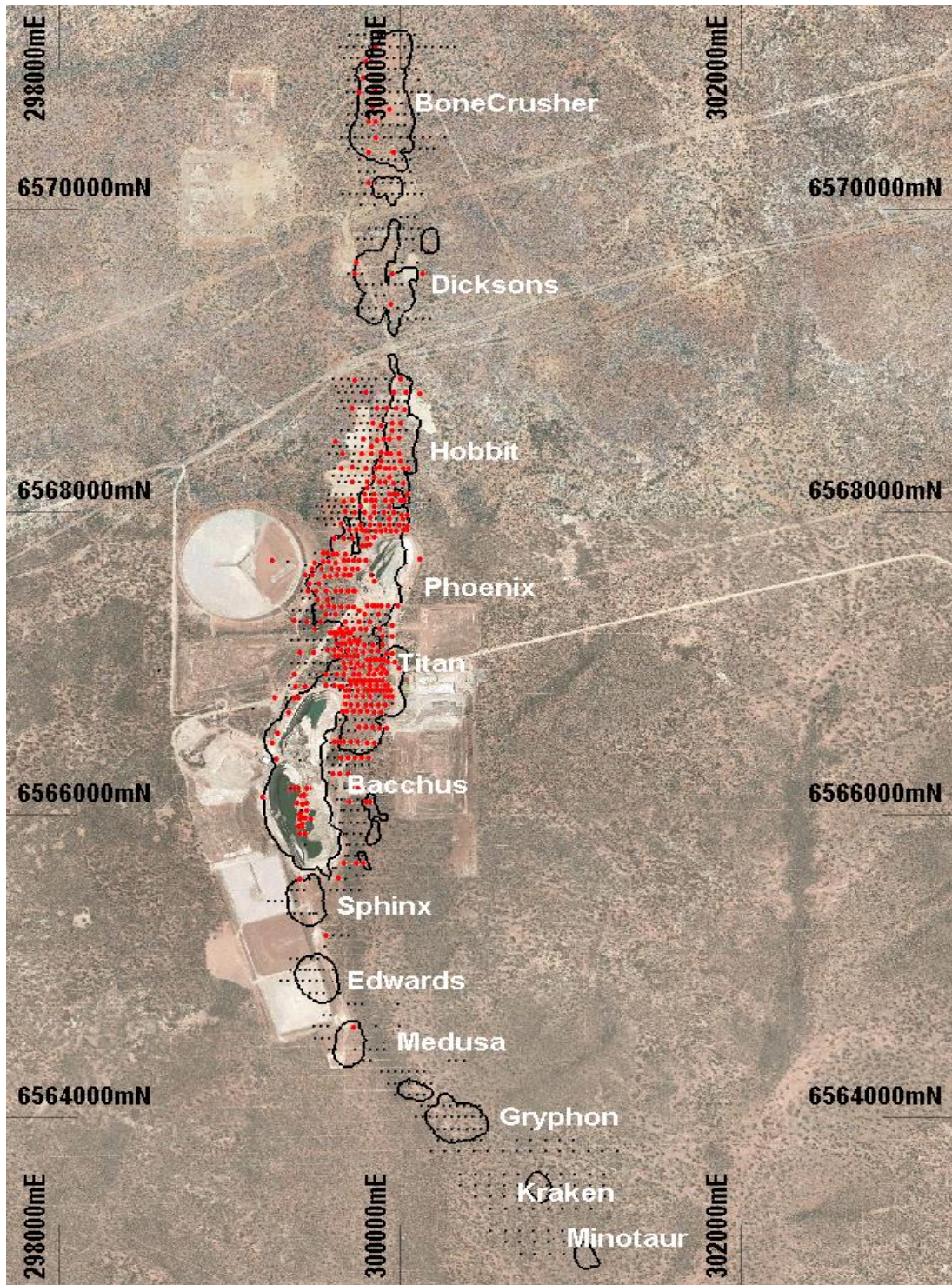


Figure 2 Drill location plan showing potential optimised pit outlines for the various resource target areas along the length of the Bullabulling Trend