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ASX RELEASE

Bullabulling Gold Project – Resource Drilling Update

Highlights

- Resource drilling at Bullabulling has recommenced following the Christmas break.
- 59 drill holes completed to date indicate significant mineralisation intersected, similar to historic drilling and consistent with the current resource model.
- New zones of mineralisation have been intersected both below and along strike of known gold zones which will add to the updated resource estimate.
- Approximately a third (35%) of results exhibit higher grade or width than historic results.
- Approximately a quarter (26%) of reported intersections have returned gold mineralisation outside of the current resource model.
- Additional mineralisation has been intersected below 120m, the base of the current resource estimate.
- Highlights include 39m at 4.93 g/t from 34m, 1m at 152 g/t from 48m, 23m at 2.11 g/t from 121m, 10m at 6.39 g/t from 75m, 4m at 7.54 g/t from 85m, 2m at 30.27m from 77m and 6m at 4.53 g/t.
- Bulk density measurements indicate additional resource tonnage.
- The drilling program is confirming Bullabulling as a large tonnage, low grade deposit with high grade zones.
- The plan to deliver an updated, upgraded and increased resource and initial reserve for the Bullabulling Gold Project at the end of March 2011 is on track.
- Metallurgical drilling has been completed with test work underway.

The 18,000m resource drilling program at Bullabulling has recommenced following the Christmas break. Total production to date is 6,923m from 59 holes (Table 1), including 3 precollars for the metallurgical testwork sampling with average production since the start of the program of 204m per day. The drilling is progressing as planned and the work plan to deliver an updated and upgraded resource estimate and maiden JORC compliant reserve for Bullabulling in late March 2011 remains on track.

The Bullabulling Gold project is a large tonnage, low grade deposit with high grade shoots, associated with the regional Bullabulling shear zone which extends over tens of kilometres. The current program focuses on approximately 2.3km of the 6km portion known as the Bullabulling Trend which was previously operated by Resolute Mining. The focus for the joint venture is to establish an initial reserve to commence production in 2013.

Mineralisation is open in all directions, and a significant exploration program is planned to follow up new targets once the current program is completed in late February 2011.

Drilling results to date have significantly improved the confidence in the current resource model and the historic data that were used to estimate the resource model. New zones of mineralisation have been intersected both below and along strike from known mineralisation which will add to the updated resource estimate. The interpreted sequence of westerly dipping stacked lodes which are continuous over at least six kilometres, containing narrower and discontinuous higher grade zones of mineralisation is being confirmed.

Higher grade zones include new intersections of 1m at 13.45 g/t from 21m in BJ00019, 39m at 4.93 g/t from 34m in BJ00061 and 1m at 152.00 g/t Au from 48m in BJ0061, 10m at 6.39 g/t from 75m in BJ00030, 2m at 30.27 g/t from 77m in BJ00030, 6m at 4.53 g/t from 118m in BJ00040, 1m at 16.00 g/t from 58m in BJ00045, 4m at 7.54 g/t from 85m in BJ00046, and 23m at 2.11 g/t from 121m in BJ00059..

Program Overview

A key aim of the drilling is to compare results from the historic drilling with the aim of improving the confidence in the historical assays to allow the current inferred resource to be reclassified to indicated and measured categories, and in turn enable initial JORC compliant reserves to be established for the project. The current reported JORC compliant mineral resource is

41,517,000 tonnes @ 1.48 g/t Au for 1.98 million ounces of gold at a 0.7 g/t Au cut off to an assumed economic mining depth of 315m RL, approximately 120m depth.

Bullabulling Mineral Resource (August 2010)

Mineral Resource estimate	Cut Off (g/t Au)	Class	Tonnes	Gold grade g/t	Contained Ounces
August 2010	0.7	Inferred	41,517,000	1.5	1,982,000

Note: The resource is quoted for blocks with a grade of greater than 0.7 g/t and above the 315 RL which approximates to 120m depth below surface. Differences may occur due to rounding

Drilling has continued to focus on infill drilling to the east and between the Bacchus and Phoenix pits, testing the limits of the resource in the footwall and hanging wall and following up intersections in historic drilling beneath 120m depth. A total of 8,105 samples have been submitted for assay from the start of the program (6,922 routine, 687 standards and blanks and 496 duplicates). Assays have been received for all holes drilled to date. All but one of the fifty nine holes drilled to date have intersected significant mineralisation (Table 2) that is similar in grade and widths to the historic drilling.

There are 192 intersections returned to date from the drilling and these have been compared to the resource block model to assess the validity of the reported resource. Approximately 77% of these intersections returned similar or better grades or widths of mineralisation. Of these 35% are have better grades or widths than predicted by the resource model. Approximately 26% of the reported intersections have returned gold mineralisation outside the current resource model, which has been reported to 315 RL or approximately 120m below surface, and these will add to the current resource base of the project. Only 12% of intersections returned widths or grades worse than predicted by the model and the remaining intersections are new zones of mineralisation not included in the model.

As reported previously, the number and quality of bulk density measurements of mineralisation were insufficient for upgrading the current resource category. A wet-dry SG determination system has consequently been implemented that has allowed the collection of 167 SG measurements from selected 1m intervals of fresh mineralised and adjacent unmineralised core from the recent diamond drilling program. SGs range from 2.6 to 3.1 in all amphibolite

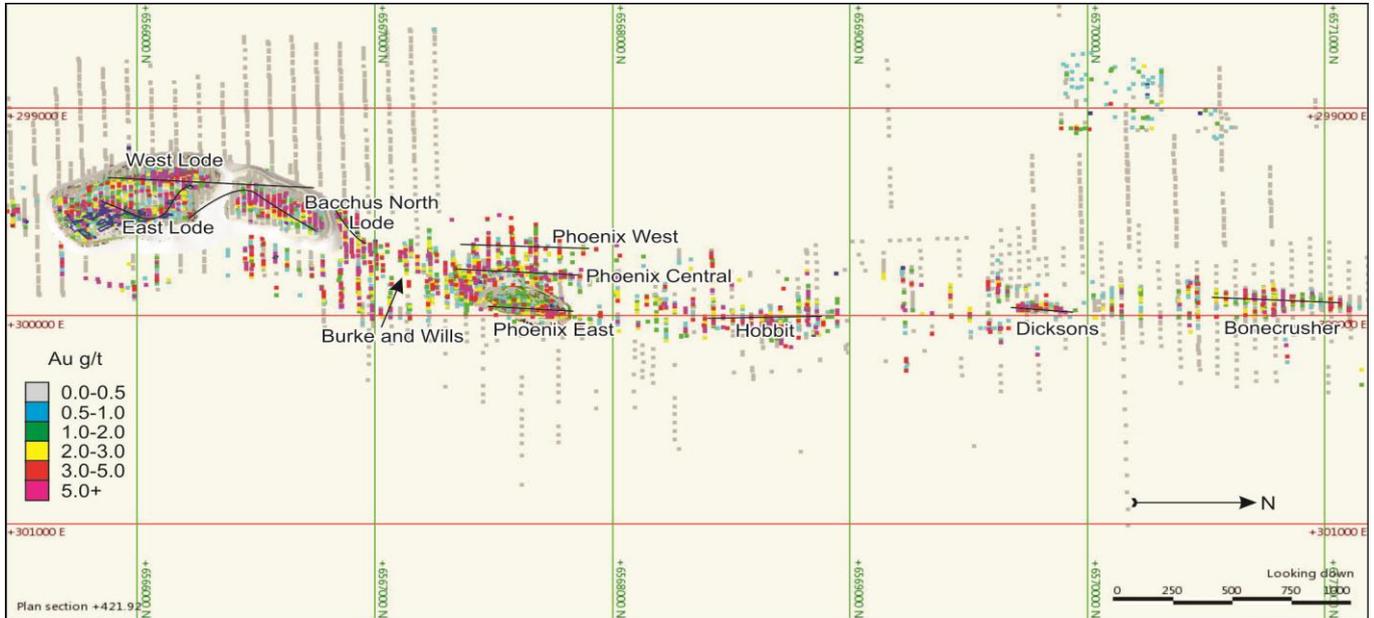
lithologies and average 2.9. The average SG used by CSA Global for primary ore in calculating the resource tonnage was 2.6, which consequently underestimates the tonnes of ore present in the resource model by approximately 10%.

The program of diamond drilling to collect samples for metallurgical testwork has been completed. The core has been logged, photographed and selected 20-25m intervals (300kg) from each drillhole delivered to the laboratory in Perth. The core has now been reviewed and various samples selected for comminution (crushing and grinding) testwork. Three samples from each hole have been selected that are representative of the mineralised lithologies and sample preparation has been completed. The remaining core will be crushed and assayed and composite samples selected with grades from 0.7 g/t – 1.5 g/t Au for metallurgical variability testwork.

For the purpose of metallurgical testing, a large bore water sample is required to allow test work to be completed in conditions which are representative of the likely operating conditions. An assessment of the current status of the Bullabulling bore fields has been completed by geotechnical and hydrology consultants. The bores have not been in operation since approximately 1999, but the review has established that all groundwater bores appear to be in good condition (i.e. bore casings appear intact, clean and free of obstruction) and the pipeline from the bore field to the project area is intact. A water sample will be collected using a submersible pump after the bore has been pumped clean for 24 hours. The sample will be collected and transported to the Perth laboratory during January.

The project geological consultants continue to work on the new resource and reserve estimate and are continuing to review drilling results as they become available in relation to QAQC requirements to upgrade the current resource to Indicated and Measured categories. A review of the QAQC data for the assays received to date is being undertaken and results will be available by the end of January.

The Bullabulling Gold Trend



The current Inferred Resource estimate will be upgraded once the QAQC results have been analysed and a new resource model estimated to include the new infill drilling results. The new resource is expected to include mineralisation below the current Inferred Resource.

For further information please check our website (www.auzex.com) or contact John Lawton (Managing Director) or Greg Partington (Operations Director) on +617 3333 2722 and +6144800987 respectively.

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

Table 1: Bullabulling Collar information for RC drilling completed up to 24 December 2010

Hole	Easting	Northing	RL	Dip	Az	Length	Comments
BJ0008	299,356	6,566,674	430	-50	90	246	Mineralised
BJ0009	299,410	6,566,773	431	-55	90	252	Mineralised
BJ0010	299,387	6,566,773	431	-60	90	241	Mineralised
BJ0011	299,446	6,566,847	431	-60	90	241	Mineralised
BJ0012	299,396	6,566,845	431	-60	90	240	Mineralised
BJ0013	299,385	6,566,924	432	-60	90	247	Mineralised
BJ0014	299,932	6,566,857	431	-60	90	79	Mineralised
BJ0015	299,873	6,566,857	431	-60	90	100	Mineralised
BJ0016	299,832	6,566,857	431	-60	90	120	Mineralised
BJ0017	299,792	6,566,858	431	-60	90	139	Mineralised
BJ0018	299,753	6,566,858	430	-60	90	156	Mineralised
BJ0019	299,930	6,566,932	432	-60	90	90	Mineralised
BJ0020	299,618	6,566,851	432	-60	90	80	Mineralised
BJ0021	299,567	6,566,851	432	-60	90	100	Mineralised
BJ0022	299,755	6,567,002	432	-60	90	80	Mineralised
BJ0023	299,717	6,567,003	432	-60	90	96	Mineralised
BJ0024	299,677	6,567,003	431	-60	90	120	Mineralised
BJ0025	299,754	6,567,129	434	-60	90	80	Mineralised
BJ0026	299,718	6,567,129	434	-60	90	100	Mineralised
BJ0027	299,656	6,567,125	432	-60	90	155	Mineralised
BJ0028	299,768	6,567,150	434	-60	90	80	Mineralised
BJ0029	299,738	6,567,150	434	-60	90	100	Mineralised
BJ0030	299,708	6,567,150	434	-60	90	120	Mineralised
BJ0031	299,892	6,566,678	431	-60	90	90	Mineralised
BJ0032	299,853	6,566,679	430	-60	90	115	Mineralised
BJ0033	299,812	6,566,679	430	-60	90	140	Mineralised
BJ0034	299,772	6,566,680	430	-60	90	159	Mineralised
BJ0035	299,732	6,566,681	430	-60	90	180	Mineralised
BJ0036	299,957	6,566,782	431	-60	90	55	Not Mineralised
BJ0037	299,936	6,566,782	431	-60	90	223	Mineralised
BJ0038	299,916	6,566,782	431	-60	90	79	Mineralised
BJ0039	299,833	6,566,782	430	-60	90	120	Mineralised
BJ0040	299,791	6,566,782	430	-60	90	140	Mineralised
BJ0041	299,851	6,566,926	432	-60	90	127	Mineralised
BJ0042	299,768	6,566,929	431	-60	90	169	Mineralised
BJ0043	299,730	6,566,929	431	-60	90	79	Mineralised

Hole	Easting	Northing	RL	Dip	Az	Length	Comments
BJ0044	299,675	6,566,929	430	-60	90	103	Mineralised
BJ0045	299,633	6,566,929	431	-60	90	120	Mineralised
BJ0046	299,911	6,566,960	432	-60	90	100	Mineralised
BJ0047	299,871	6,566,960	432	-60	90	120	Mineralised
BJ0048	299,831	6,566,960	432	-60	90	139	Mineralised
BJ0049	299,894	6,566,984	432	-60	90	100	Mineralised
BJ0050	299,832	6,566,985	433	-60	90	127	Mineralised
BJ0051	299,931	6,567,007	432	-60	90	100	Mineralised
BJ0052	299,970	6,567,008	432	-60	90	80	Mineralised
BJ0053	299,953	6,567,063	433	-60	90	91	Mineralised
BJ0054	299,925	6,567,061	433	-62	90	109	Mineralised
BJ0055	299,933	6,567,385	438	-60	90	79	Mineralised
BJ0056	299,893	6,567,383	438	-60	90	100	Mineralised
BJ0059	299,768	6,567,348	438	-60	90	160	Mineralised
BJ0061	299,695	6,567,205	436	-60	90	80	Mineralised
BJ0062	299,655	6,567,205	434	-60	90	100	Mineralised
BJ0064	299,808	6,567,230	435	-60	90	100	Mineralised
BJM001	299,441	6,566,135	374	-70	70	47	Met Hole
BJM002	299,737	6,567,478	437	-70	90	101	Met Hole
BJM003	299,916	6,566,857	431	-70	270	113	Met Hole
BJM004	299,882	6,567,380	439	-90	90	101	Met Hole
BJM005	299,852	6,567,543	416	-60	90	68	Met Hole
BJM006	299,412	6,566,000	372	-52	270	75	Met Hole

Table 2: Intersection summary from drill assays received to 24 December 2010

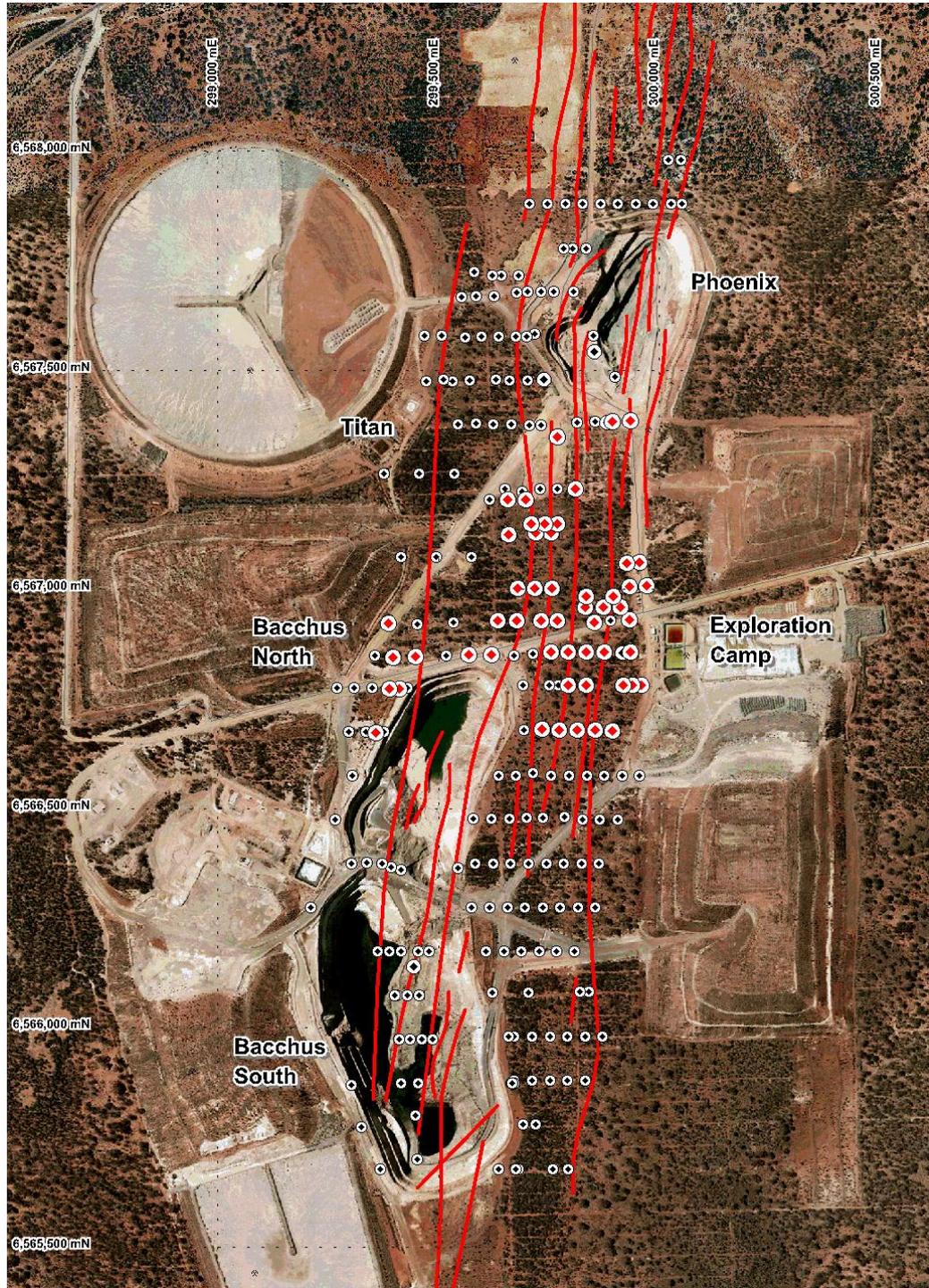
Hole	From	To	Width	Au g/t	Includes	Comment
BJ0008	57	59	2	0.32		Reported Previously
BJ0008	70	74	4	0.77	1m @ 1.78g/t From 72m	Reported Previously
BJ0008	80	91	11	0.98	1m @ 3.71g/t From 80m	Reported Previously
BJ0008	102	112	10	0.73	1m @ 3.54g/t From 111m	Reported Previously
BJ0008	129	131	2	0.37		Reported Previously
BJ0008	201	208	7	0.64	1m @ 2.95g/t From 207m	Reported Previously
BJ0009	79	90	11	2.92	2m @ 9.625g/t From 83m and 1m @ 8.48g/t From 89m	Reported Previously
BJ0009	98	103	5	0.44		Reported Previously
BJ0009	118	122	4	0.57		Reported Previously
BJ0009	136	138	2	0.78		Reported Previously
BJ0009	200	202	2	0.52		Reported Previously
BJ0009	234	240	6	1.07	1m @ 2.40g/t From 239m	Reported Previously
BJ0009	247	250	3	0.57		Reported Previously
BJ0010	75	90	15	0.67	1m @ 3.35g/t From 38m	Reported Previously
BJ0010	96	102	6	0.79	1m @ 3.89g/t From 101m	Reported Previously
BJ0010	217	220	3	1.83	2m @ 2.46g/t From 218m	Reported Previously
BJ0011	57	60	3	1.18		Reported Previously
BJ0011	69	74	5	0.72		Reported Previously
BJ0011	98	107	9	6.85	4m @ 14.40g/t From 103m	Reported Previously
BJ0011	113	120	7	0.60		Reported Previously
BJ0011	150	155	5	0.41		Reported Previously
BJ0011	191	199	8	1.21	4m @ 1.78g/t From 195m	Reported Previously
BJ0011	218	227	9	0.51		Reported Previously
BJ0011	233	235	2	0.49		Reported Previously
BJ0012	120	126	6	0.43		Reported Previously
BJ0012	146	151	5	0.34		Reported Previously
BJ0012	184	188	4	0.39		Reported Previously
BJ0012	193	196	3	1.05	1m @ 2.03g/t From 195m	Reported Previously
BJ0012	202	227	25	0.81	3m @ 2.41g/t From 215m	Reported Previously
BJ0013	149	152	3	0.74		Reported Previously
BJ0013	203	205	2	1.10		Reported Previously
BJ0013	225	227	2	0.43		Reported Previously
BJ0014	37	40	3	0.45		Reported Previously
BJ0014	52	60	8	0.67		Reported Previously
BJ0014	62	64	2	0.40		Reported Previously
BJ0015	38	64	26	0.64	1m @ 3.89g/t From 38m	Reported Previously

Hole	From	To	Width	Au g/t	Includes	Comment
BJ0015	71	85	14	0.81	2m @ 3.34g/t From 73m	Reported Previously
BJ0016	36	38	2	0.95		Reported Previously
BJ0016	47	53	6	0.31		Reported Previously
BJ0016	62	68	6	0.48		Reported Previously
BJ0016	73	76	3	2.33		Reported Previously
BJ0016	82	101	19	1.30		Reported Previously
BJ0017	1	6	5	2.17	3m @ 3.39g/t From 1m	Reported Previously
BJ0017	16	21	5	0.83	1m @ 2.46g/t From 16m	Reported Previously
BJ0017	49	53	4	0.62		Reported Previously
BJ0017	70	87	17	0.59	1m @ 3.41g/t From 70m	Reported Previously
BJ0017	104	108	4	0.82		Reported Previously
BJ0017	110	115	5	0.47		Reported Previously
BJ0018	38	44	6	0.54		New Intersection
BJ0018	70	73	3	0.34		New Intersection
BJ0018	96	98	2	0.80		New Intersection
BJ0018	119	121	2	0.38		New Intersection
BJ0018	122	126	4	0.31		New Intersection
BJ0019	41	54	13	0.63	1m @ 13.45g/t From 21m	New Intersection
BJ0019	67	72	5	0.54		New Intersection
BJ0020	36	39	3	0.43		New Intersection
BJ0020	48	51	3	1.07		New Intersection
BJ0020	52	54	2	0.42		New Intersection
BJ0020	62	64	2	0.36		New Intersection
BJ0020	65	70	5	0.55		New Intersection
BJ0021	53	59	6	0.96	1m @ 4.57g/t From 58m	New Intersection
BJ0021	63	71	8	0.75		New Intersection
BJ0022	13	15	2	3.49		New Intersection
BJ0022	51	61	10	0.59		New Intersection
BJ0022	73	76	3	0.85		New Intersection
BJ0023	41	55	14	0.98		New Intersection
BJ0024	11	13	2	0.44		New Intersection
BJ0024	48	56	8	0.61		New Intersection
BJ0024	68	72	4	0.40		New Intersection
BJ0024	95	99	4	0.36		New Intersection
BJ0024	104	107	3	0.50		New Intersection
BJ0025	35	42	7	0.54		New Intersection
BJ0025	50	62	12	0.76		New Intersection
BJ0025	68	77	9	0.95	1m @ 4.29g/t From 76m	New Intersection

Hole	From	To	Width	Au g/t	Includes	Comment
BJ0026	37	39	2	0.42		New Intersection
BJ0026	44	68	24	0.77		New Intersection
BJ0026	77	82	5	0.32		New Intersection
BJ0027	54	68	14	0.58		New Intersection
BJ0027	71	74	3	0.33		New Intersection
BJ0027	79	82	3	1.94	1m @ 5.06g/t From 79m	New Intersection
BJ0027	88	100	12	0.61		New Intersection
BJ0027	111	116	5	0.58		New Intersection
BJ0027	132	136	4	0.70		New Intersection
BJ0028	32	34	2	0.46		New Intersection
BJ0028	36	45	9	0.65		New Intersection
BJ0028	61	63	2	0.98		New Intersection
BJ0028	78	80	2	0.70		New Intersection
BJ0029	38	46	8	1.33	2m @ 3.00g/t From 43m	New Intersection
BJ0029	62	69	7	0.90		New Intersection
BJ0030	46	50	4	0.91		New Intersection
BJ0030	60	67	7	0.38		New Intersection
BJ0030	75	85	10	6.39	2m @ 30.27g/t From 77m	New Intersection
BJ0030	109	113	4	1.40		New Intersection
BJ0030	114	116	2	0.32		New Intersection
BJ0031	53	58	5	0.44		New Intersection
BJ0032	99	101	2	0.81		New Intersection
BJ0033	53	58	5	0.36		New Intersection
BJ0033	117	122	5	0.49		New Intersection
BJ0034	67	69	2	0.34		New Intersection
BJ0034	72	78	6	0.54		New Intersection
BJ0034	101	105	4	0.31		New Intersection
BJ0035	13	15	2	2.22		New Intersection
BJ0035	68	70	2	0.83		New Intersection
BJ0035	89	97	8	0.82		New Intersection
BJ0035	109	112	3	0.67		New Intersection
BJ0037	35	44	9	1.56	5m @ 2.20g/t From 35m	New Intersection
BJ0037	72	74	2	3.01		New Intersection
BJ0038	36	48	12	1.29		New Intersection
BJ0038	49	51	2	0.38		New Intersection
BJ0038	76	79	3	1.61		New Intersection
BJ0039	69	71	2	0.43		New Intersection
BJ0039	80	82	2	0.48		New Intersection

Hole	From	To	Width	Au g/t	Includes	Comment
BJ0039	90	102	12	0.69		New Intersection
BJ0040	29	32	3	1.53	1m @ 4.00g/t From 29m	New Intersection
BJ0040	47	53	6	0.76		New Intersection
BJ0040	73	75	2	0.59		New Intersection
BJ0040	86	89	3	0.84		New Intersection
BJ0040	118	124	6	4.53	3m @ 8.52g/t From 120m	New Intersection
BJ0042	27	30	3	0.37		New Intersection
BJ0042	53	55	2	0.40		New Intersection
BJ0042	80	84	4	0.41		New Intersection
BJ0042	92	98	6	0.83		New Intersection
BJ0043	11	14	3	0.60		New Intersection
BJ0043	33	38	5	1.88	2m @ 3.91g/t From 34m	New Intersection
BJ0043	48	50	2	0.69		New Intersection
BJ0043	52	55	3	0.30		New Intersection
BJ0043	70	73	3	10.82		New Intersection
BJ0044	42	61	19	0.86	1m @ 5.38g/t From 45m	New Intersection
BJ0044	66	71	5	0.57		New Intersection
BJ0044	85	91	6	0.34		New Intersection
BJ0044	98	100	2	0.50		New Intersection
BJ0045	47	52	5	0.67		New Intersection
BJ0045	58	70	12	1.97	1m @ 16.00g/t From 58m	New Intersection
BJ0045	75	77	2	0.48		New Intersection
BJ0045	96	101	5	0.79		New Intersection
BJ0046	35	38	3	0.77		New Intersection
BJ0046	49	51	2	0.58		New Intersection
BJ0046	56	61	5	0.38		New Intersection
BJ0046	72	77	5	1.63	1m @ 5.85g/t From 72m	New Intersection
BJ0046	85	89	4	7.54	2m @ 14.59g/t From 87m	New Intersection
BJ0047	33	38	5	1.37		New Intersection
BJ0047	65	77	12	0.51		New Intersection
BJ0047	91	94	3	1.15		New Intersection
BJ0048	28	39	11	0.95		New Intersection
BJ0048	46	51	5	0.73		New Intersection
BJ0048	77	84	7	0.83		New Intersection
BJ0048	90	92	2	0.37		New Intersection
BJ0048	93	96	3	0.46		New Intersection
BJ0048	100	104	4	2.39	2m @ 3.98g/t From 100m	New Intersection
BJ0049	28	45	17	0.93	2m @ 3.79g/t From 28m	New Intersection

Hole	From	To	Width	Au g/t	Includes	Comment
BJ0050	24	26	2	1.68		New Intersection
BJ0050	48	53	5	0.59		New Intersection
BJ0050	82	87	5	1.44		New Intersection
BJ0051	60	66	6	0.43		New Intersection
BJ0051	79	81	2	0.58		New Intersection
BJ0052	44	50	6	0.51		New Intersection
BJ0052	57	60	3	1.18		New Intersection
BJ0053	42	66	24	0.66		New Intersection
BJ0053	71	79	8	0.70		New Intersection
BJ0054	62	70	8	0.70		New Intersection
BJ0054	86	88	2	6.29		New Intersection
BJ0055	65	79	14	0.48		New Intersection
BJ0056	39	51	12	0.52		New Intersection
BJ0056	56	66	10	0.42		New Intersection
BJ0059	0	2	2	0.41		New Intersection
BJ0059	29	31	2	0.37		New Intersection
BJ0059	40	46	6	0.45		New Intersection
BJ0059	51	54	3	0.34		New Intersection
BJ0059	56	59	3	0.50		New Intersection
BJ0059	61	64	3	0.35		New Intersection
BJ0059	76	78	2	1.18		New Intersection
BJ0059	121	144	23	2.11	5m @ 7.67g/t From 121m	New Intersection
BJ0061	34	73	39	4.93	6m @ 28.51g/t From 47m, 1m @ 152g/t From 48m	New Intersection
BJ0062	46	51	5	0.43		New Intersection
BJ0062	60	77	17	1.00	1m @ 4.08g/t From 75m	New Intersection
BJ0062	85	87	2	1.79		New Intersection
BJ0062	95	97	2	0.75		New Intersection
BJ0064	8	10	2	2.56	1m @ 4.74g/t From 8m	New Intersection
BJ0064	28	32	4	0.39		New Intersection
BJ0064	45	47	2	0.70		New Intersection
BJ0064	56	61	5	0.41		New Intersection
BJ0064	66	69	3	0.37		New Intersection
BJ0064	85	88	3	0.78		New Intersection
BJM002	13	25	12	0.74		New Intersection
BJM002	32	41	9	0.63		New Intersection
BJM002	43	46	3	0.41		New Intersection
BJM003	36	61	25	0.39		New Intersection



Drill plan showing the location of QAQC and infill drilling in the main resource areas and holes targeting the high grade mineralisation in the Bacchus Deeps area. Red filled drill collar symbols are completed holes and black filled drill collar symbols are planned holes.