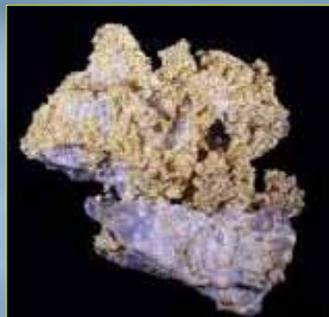


Prospectivity Of The Glen Innes Region

Molybdenum



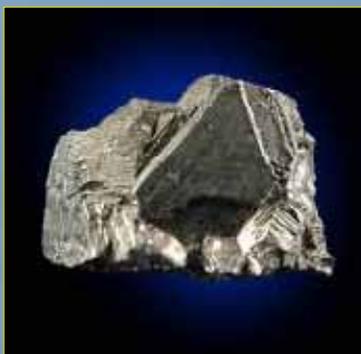
Gold



Tin



Bismuth



Tungsten

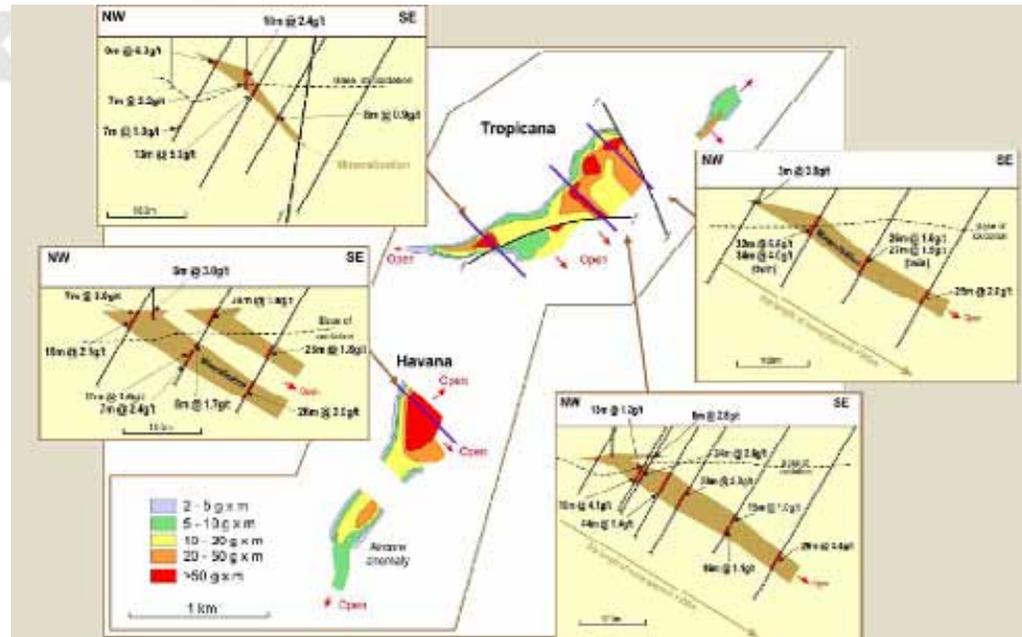


Silver



Is Australia Really A Mature Exploration Target?

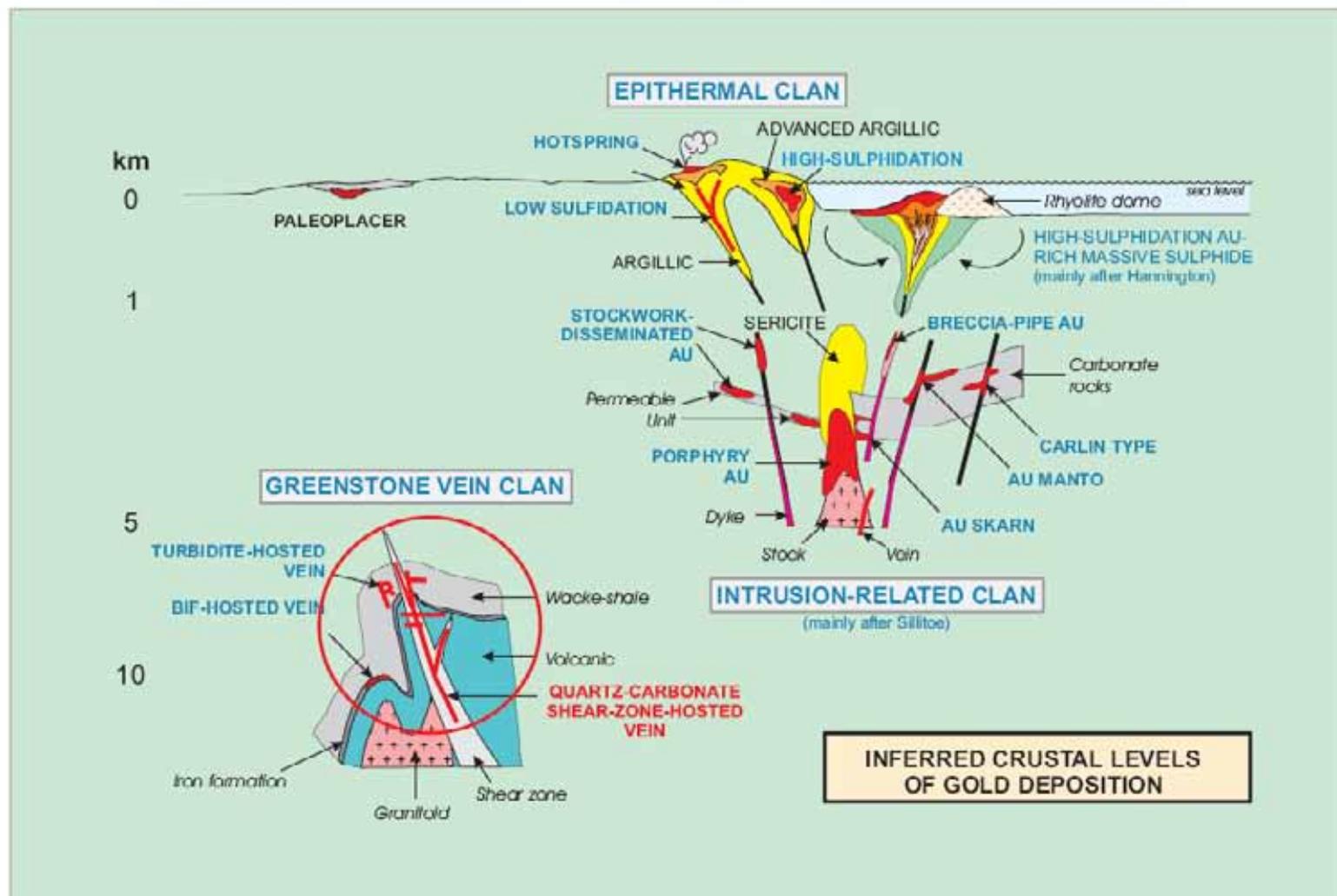
- Are there More Tropicanas Out There?
- Granite Gold: a New Mineral System Model.
- Spatial Data Modelling: New Targeting Tool.
- Results and Fieldwork.
- The Old: Kingsgate.
- The New: Seven Hills.
- Lessons
- Future Developments



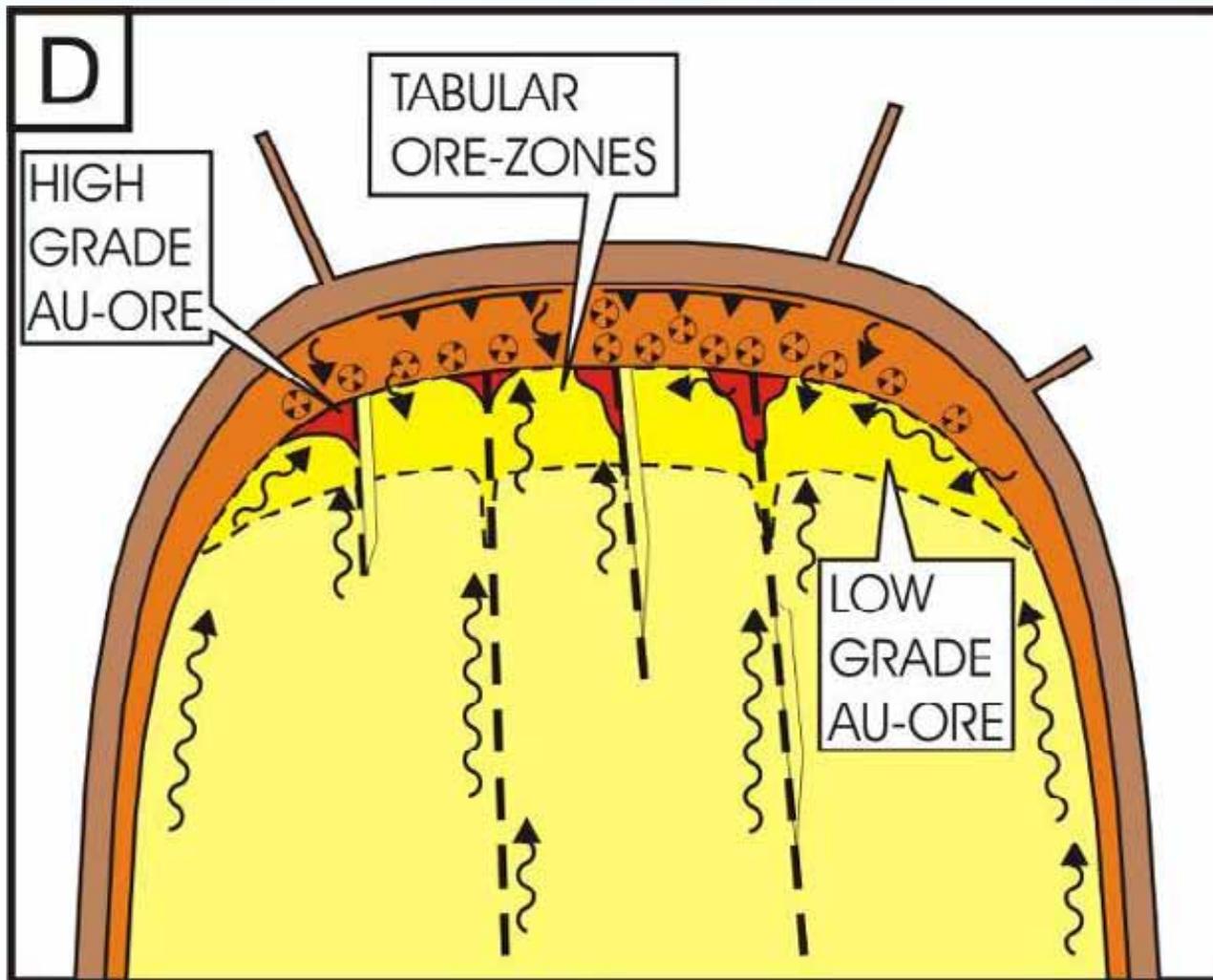
Mineral System Compared to Deposit Model

- Current Deposit Models Focus on Differences Rather than Similarities, Weakness in Exploration Targeting.
- Mineral Systems Approach Adaptation of Petroleum Modelling, Allows Probabilistic Assessment.
- Requires Critical Parameters of Ore Formation to be Identified Related to :
 - Controls on generation and preservation of Ore
 - Processes that Cause Metals to be Mobilised from Source, Transport and Deposition into Traps.
- This Approach Allows for Multiple Ore Deposit Styles to be Realised in Single Mineral System.
- Need to Map Evidence for These Processes.

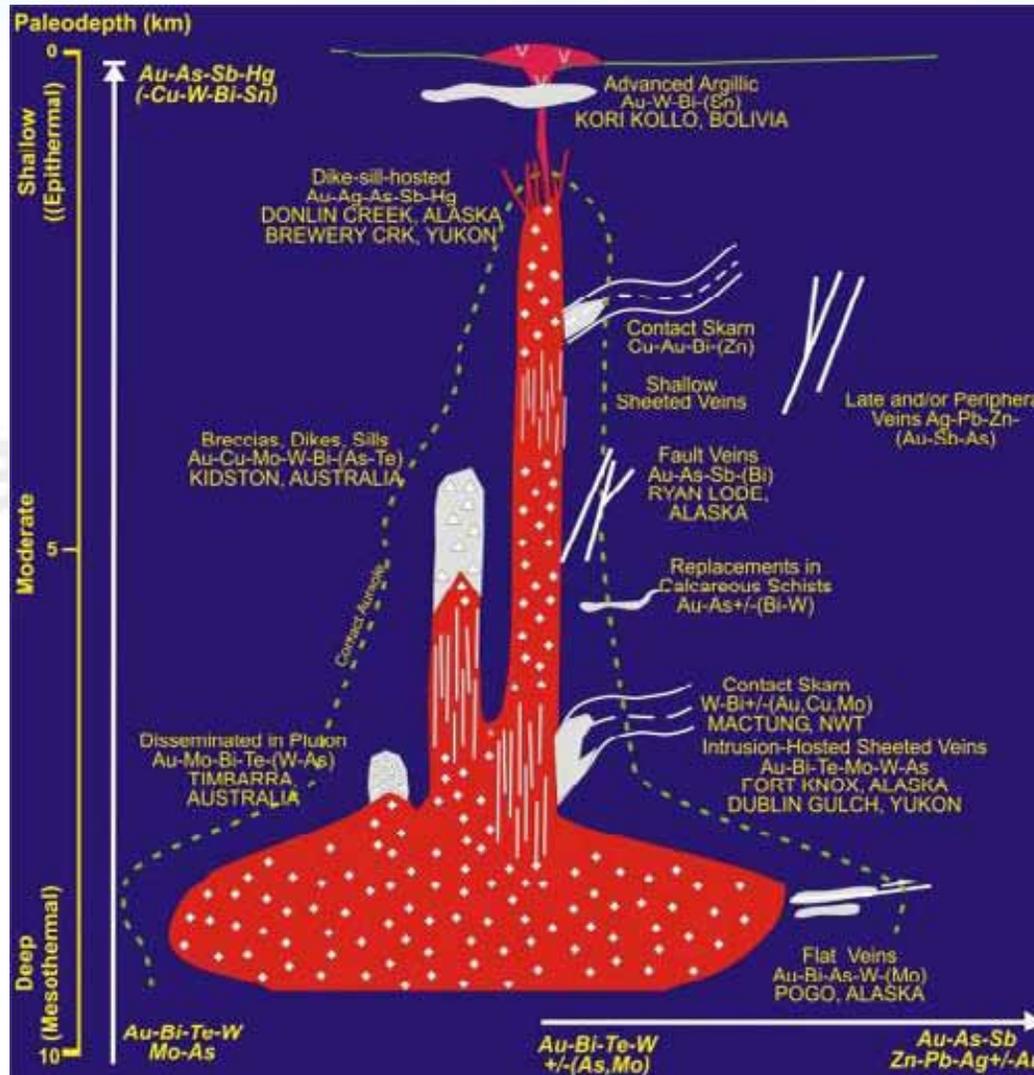
Ore Deposit Models Become One Mineral System



Granite Gold Mineral System



Granite Gold Setting and Examples



Pathfinder Metals Now Valuable In Their Own Right

The value of metals identified.
Approx A\$

value

Molybdenum: \$86,000 t

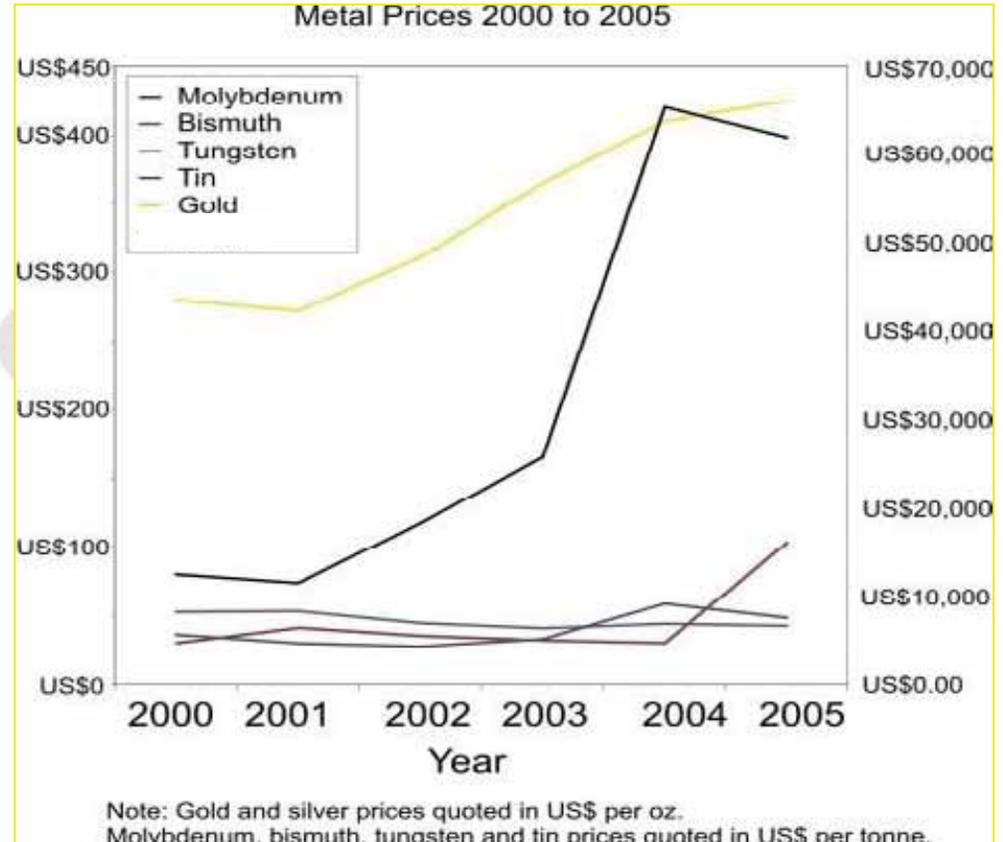
Gold: \$846 oz

Silver: \$15 oz

Tin: \$17,600 t

Tungsten: \$23,900 t

Bismuth: \$45,300 t



These Systems Are Valuable Exploration Targets



Auzex Company History

- Incorporated: 29 Sep. 2003
- Public Company: 7 July 2005
- IPO & ASX Listing: October 2005 (\$5.0M)
(\$0.50 per share)
- ASX Code: AZX
- Shares on Issue:
- Ord. Fully Paid 24,745,605
- Unlisted Options 3,665,000
- Share Price: \$1.00 (as at 20 Feb 2007)



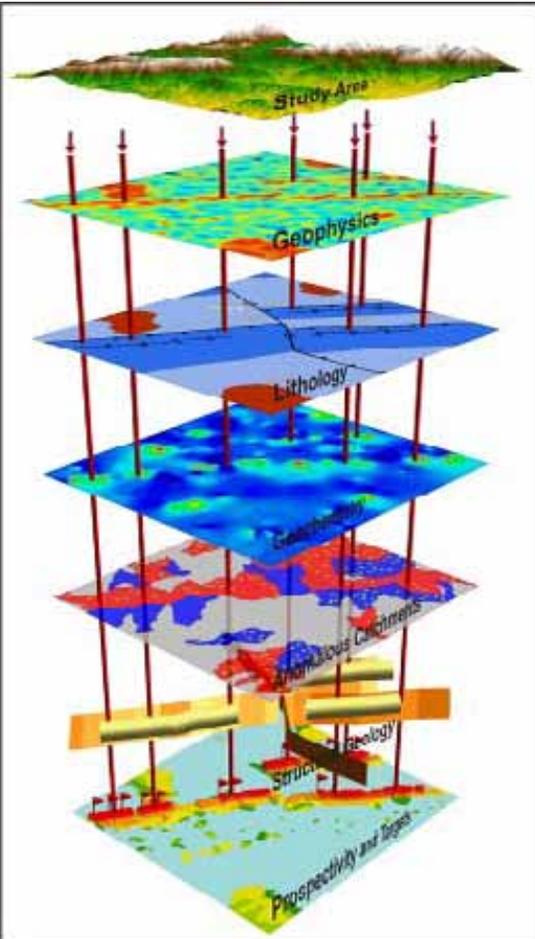
The Exploration Process Is All About Probability



The Practical Implication Of High Discovery Risk For Strategic Planning & Exploration Budgeting Is A Large Difference Between The Average Cost Of Exploration Success And The Level Of Funding Required To Ensure Success (e.g. - “World Class” Deposits)

Discoveries Are Typically Made By The 5th-7th Person/Company Covering The Ground

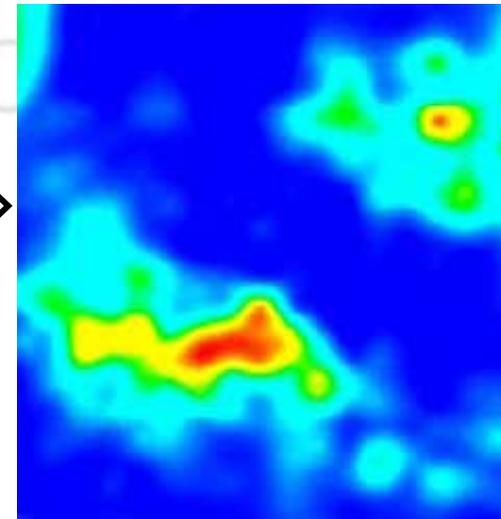
Modelling Approach: WoE



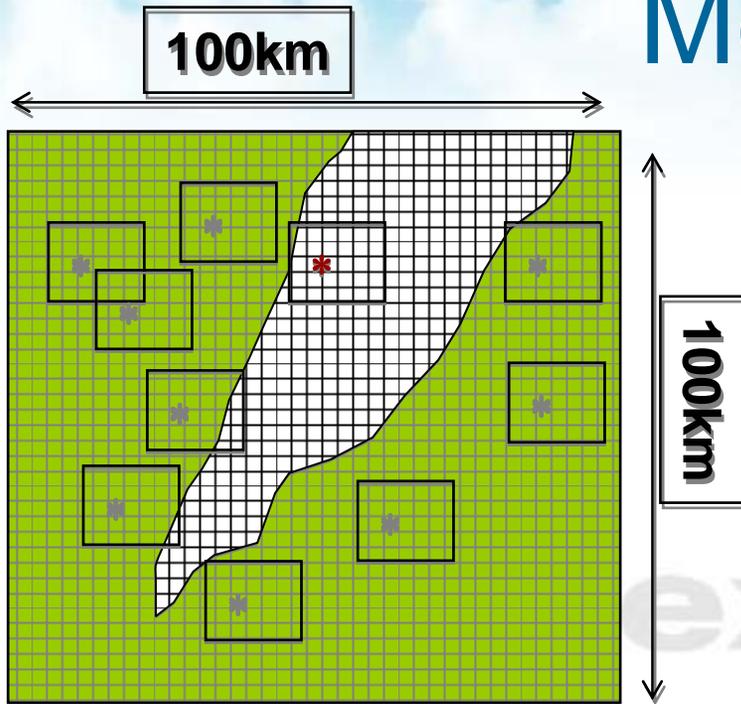
A weighted
aggregation
process

Risk & Cost

Resource Potential



Measuring Probability



- a = total study area (e.g. 10,000 km²)
- A = Unit Cell = 1 km² cell
- N(D) = number of deposits
- P(D) = prior probability
- N(T) = total area of study region
- N(\bar{B}) = area of binary theme
- N(B) = area of binary theme not present
- N(T) = N(B) + N(\bar{B}) (as long as no missing data)

$$W_+ = \ln \frac{N(B \cap D) / N(D)}{N(B) / N(T)}$$

$$W_- = \ln \frac{N(\bar{B} \cap D) / N(D)}{N(\bar{B}) / N(T)}$$

$$C = (W_+) - (W_-)$$

$$W_+ = \ln \frac{P(B | D)}{P(B | \bar{D})}$$

$$W_- = \ln \frac{P(\bar{B} | D)}{P(\bar{B} | \bar{D})}$$

$$W_{s+} = \frac{1}{N(B \cap D)} + \frac{1}{N(B)} \quad W_{s-} = \frac{1}{N(\bar{B} \cap D)} + \frac{1}{N(\bar{B})}$$

$$C_s = \sqrt{(W_{s+}) + (W_{s-})} \quad StudC = C / C_s$$

When unit cell inf. small

From: Bonham-Carter, G.F. (1994)

“Geographic information systems for geoscientists”.

Granite Gold Mineral System Source and Transport

- Source
 - I-type (crustal input, continental), Sub-alkalic, Metaluminous (to peraluminous) Felsic Rocks Au, Bi, Te, W, Mo, As and Sn Metals Present.
 - Map Rock Types and Mineral Occurrences.
- Migration
 - Hydrothermal Fluid from Fractionation - Pegmatites, Miorilitic Cavities, Pipes, Aplite.
 - Map Rock Types Geochemistry and Alteration.

Granite Gold Mineral System Trap and Deposition

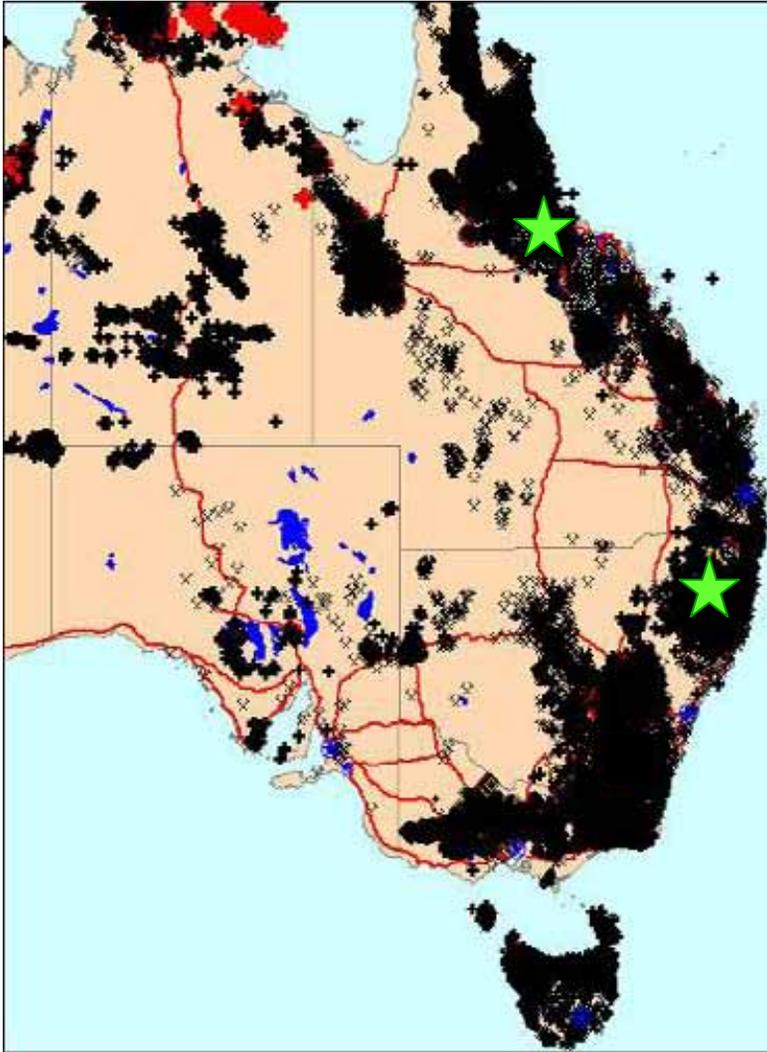
■ Trap

- Roof, Breccia, Vein Stockwork, Chemical, Mechanical Contrasts, Alteration - Feldspathic (Na>K), phyllic.
- Map Alteration, Structure, Rock Type, Scale from Geochemical Anomalism.

■ Deposition

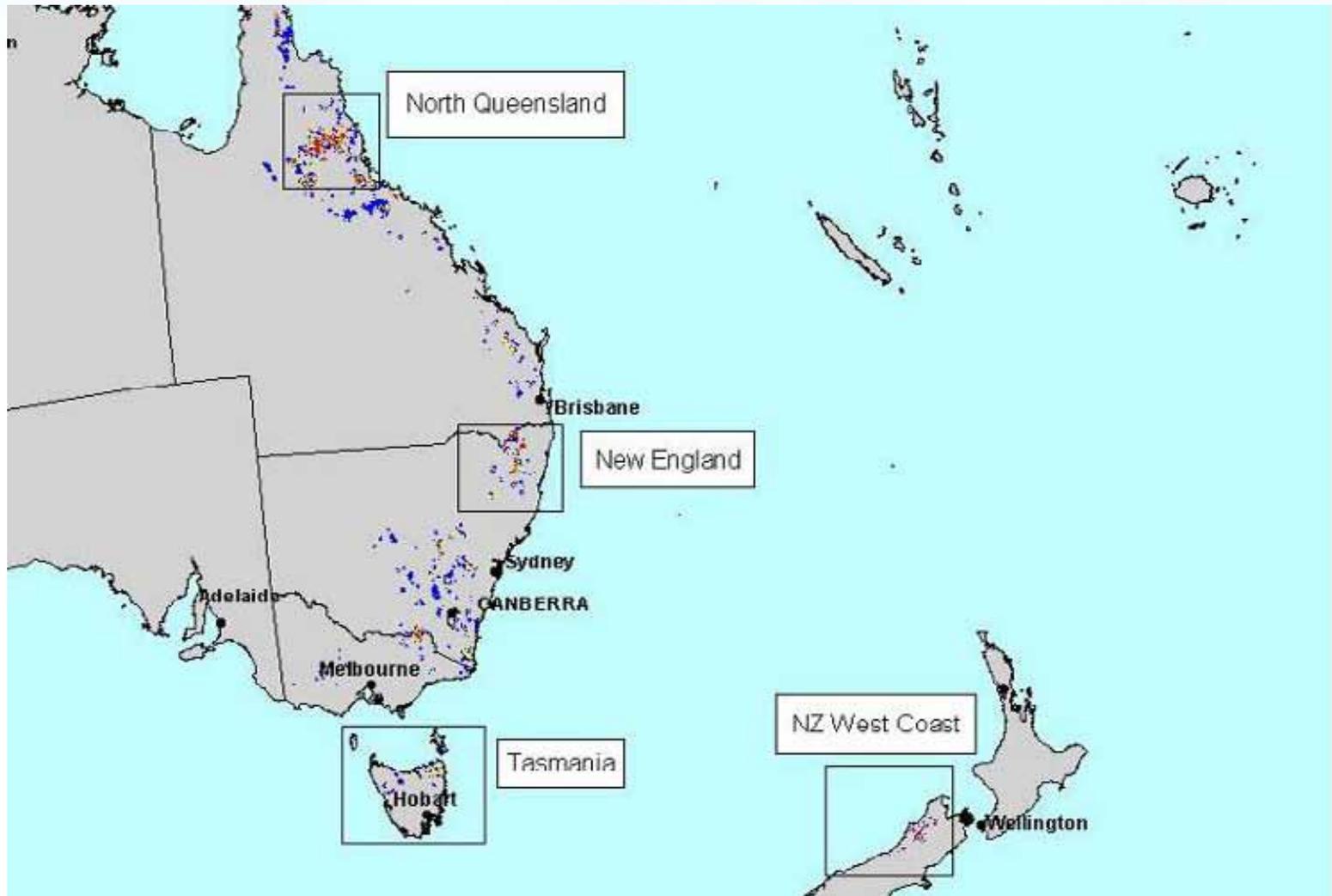
- Au, Bi, Te, W, Mo, As and Sn
- Reduced (no Mag-Hem), low sulfide (Po-Py-Apy)
- Map Geochemistry, Fluid Type, Alteration, Grade from Drilling.

Data And Information



- Integrated and assessed
- 79,000 mineral occurrences.
- 9,324,000 rock data.
- 21,912,000 SS data.
- 26,360,592 soil data.
- 109,000 drill holes.
- 2,537,522 km² of geological data.

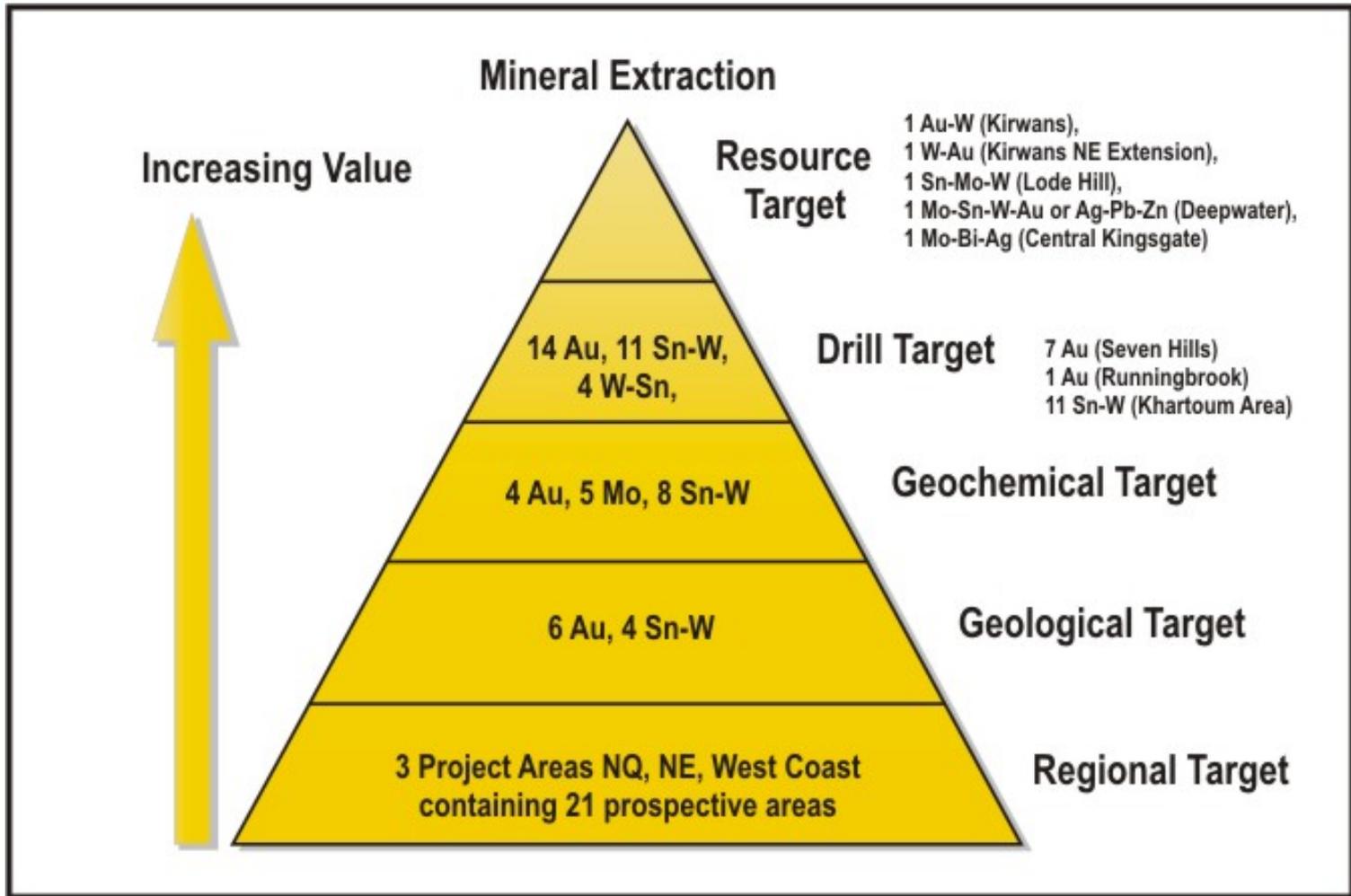
International Scale Model – Search Area Reduced



Major Project Locations

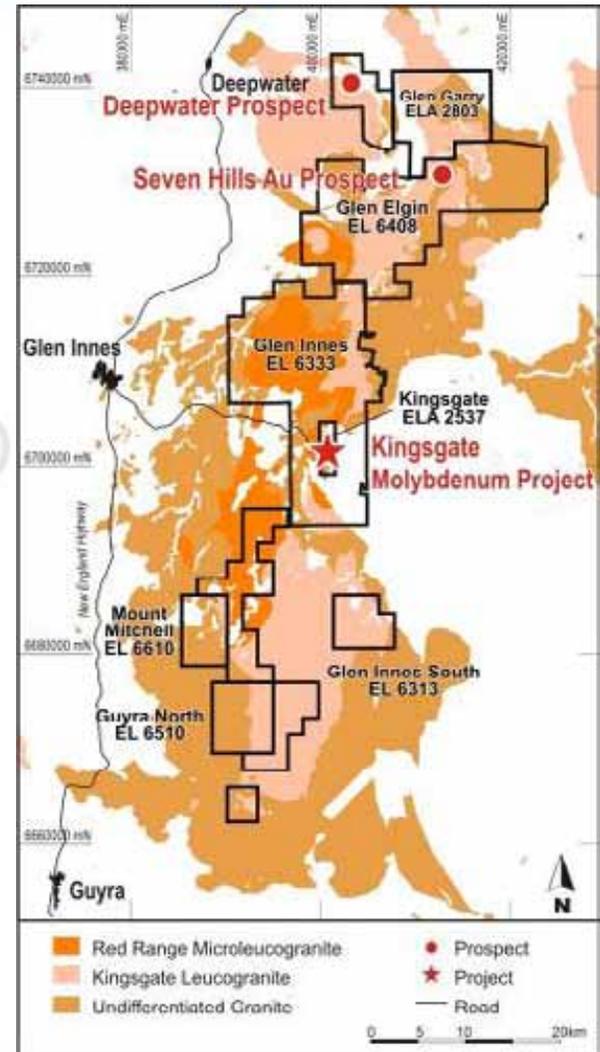


Portfolio Approach



Glen Innes Region Particularly Prospective

- Modelling Critical in Land Acquisition Process, Minimising Costs.
- Prospects Ranked By Probabilities.
- Work Planned from Missing Data.
- Lack of Predictive Data for Trap and Deposition Parts of System. Little Prospect Scale Mapping, Especially Alteration Data, Geophysics, Detailed Geochemical Data, Drilling.
- No Substitute for Fieldwork.

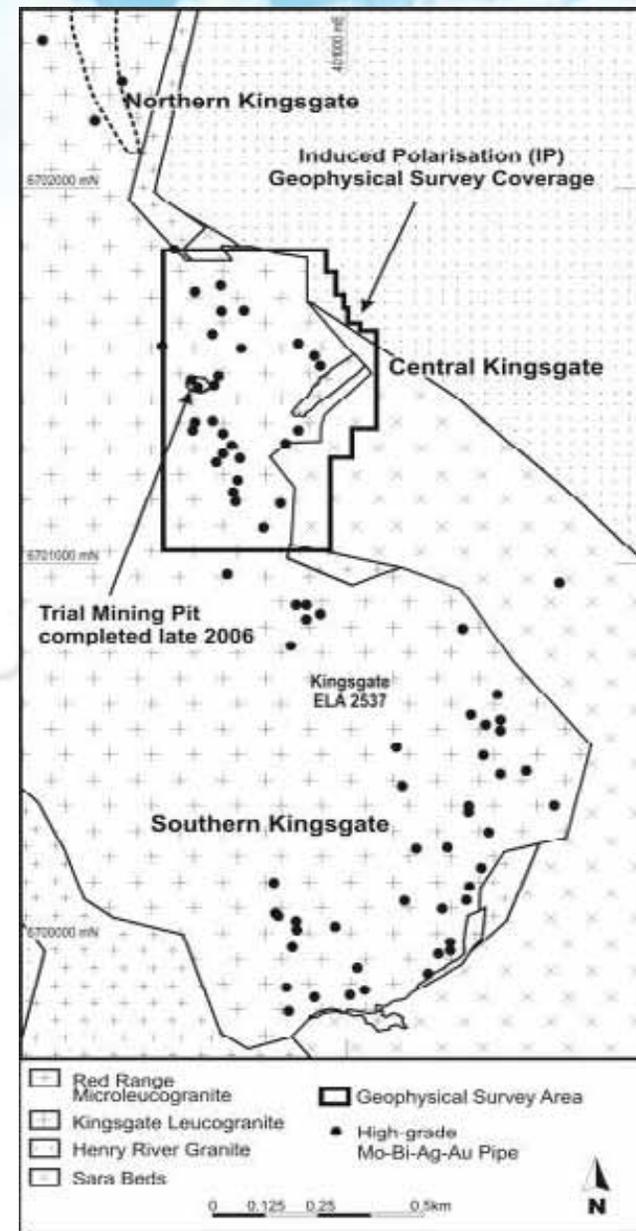


The Old: Kingsgate Mo-Bi +/- Ag, Au



Kingsgate Mo-Bi+/- Ag-Au

- 20km east of Glen Innes,
- Second Largest Producer of Mo+Bi in Australia
- 54 pipes to 20m Diameter Worked to 50 m depth. In Roof and Contact of Granite.
- 94 Mo-Bi Pipes Mapped Along a 5km N-S Trending Belt.
- Sampling of the Pipes, Including Drilling, Returned Grades up to 7.3% Mo, 2.2% Bi, 2.0 g/t Au and 100 g/t Ag.



Kingsgate Mineralisation



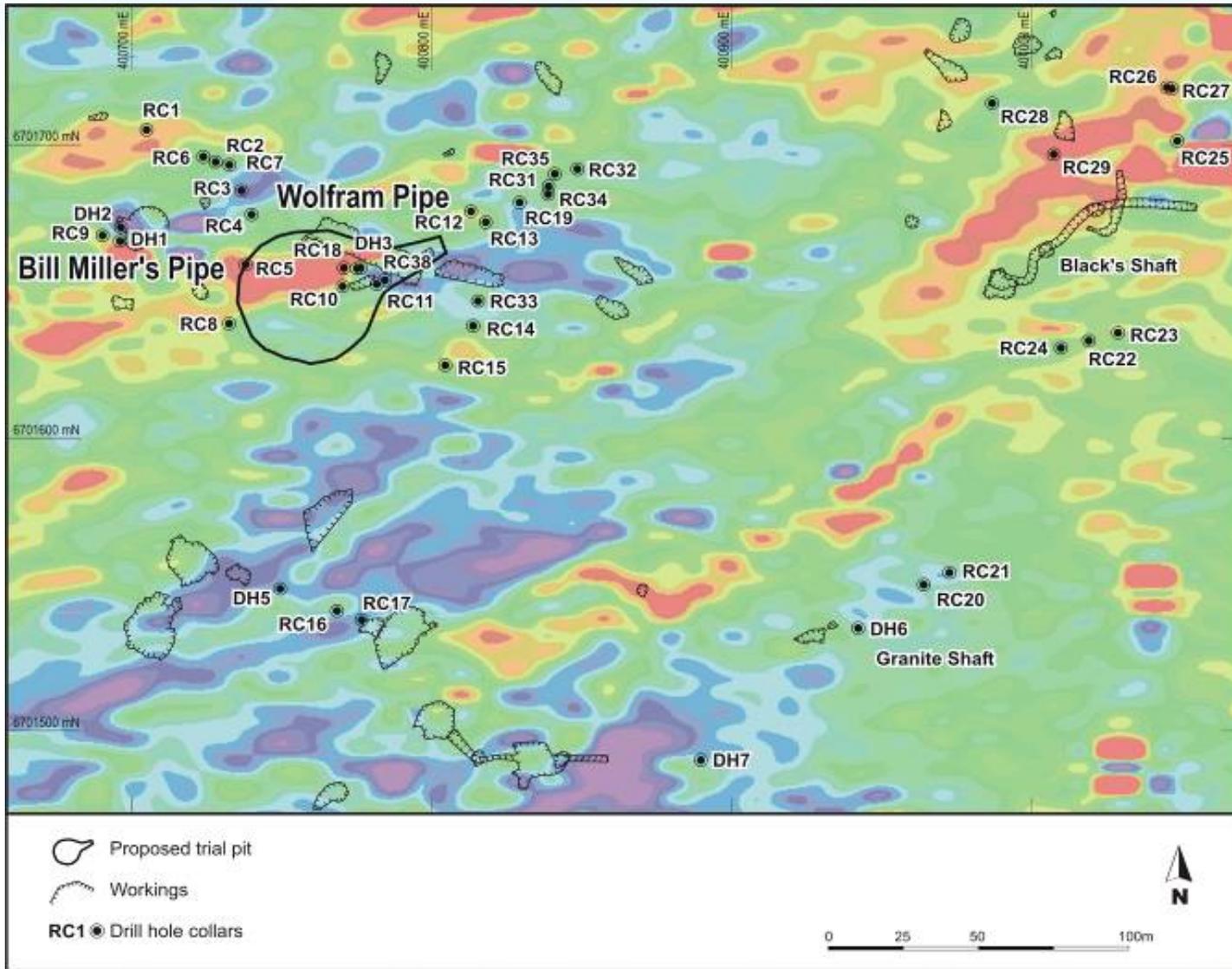
High grade Mo
in quartz pipes

High grade Mo
disseminated in granite

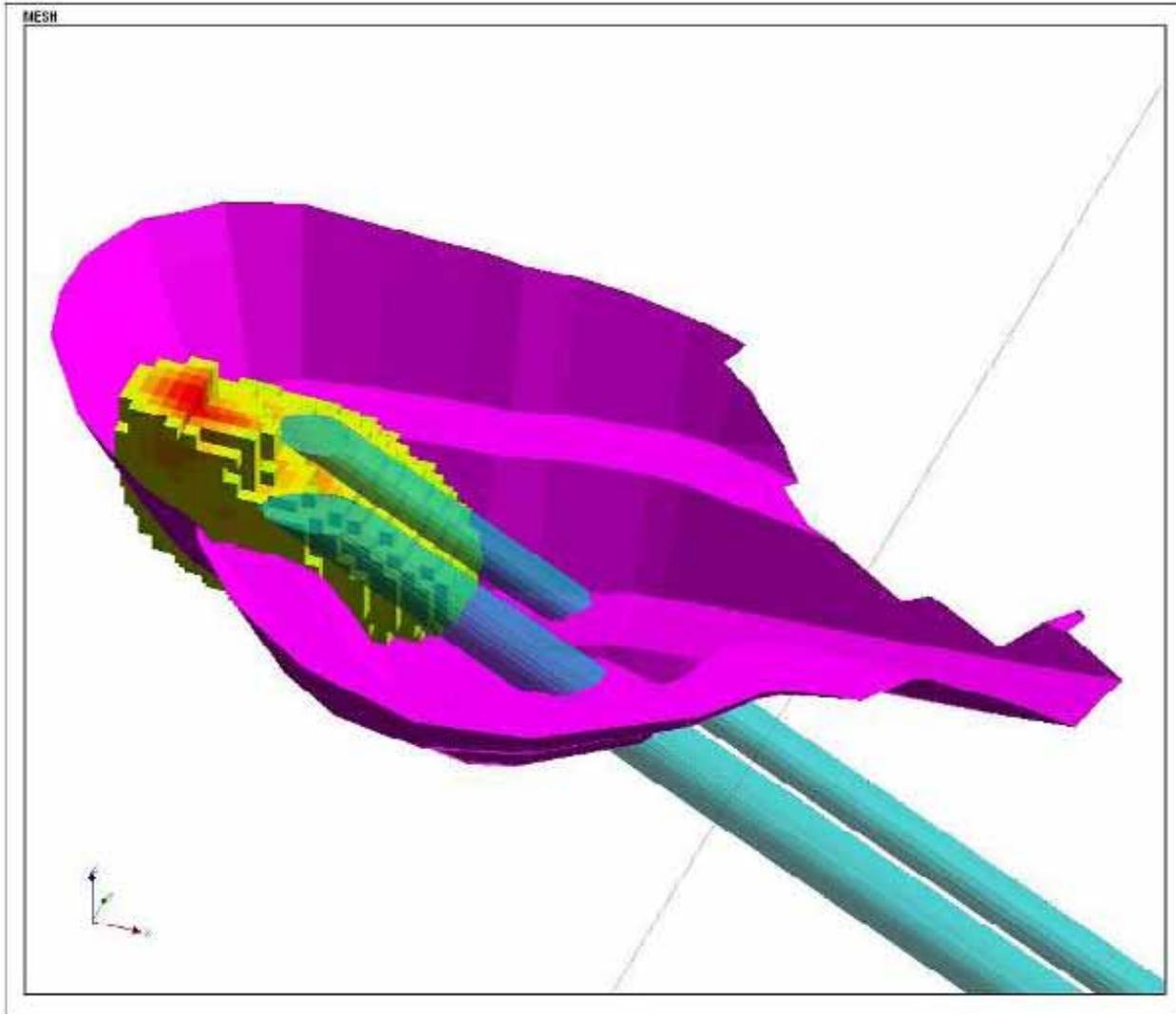
The Prize



Chargeability Map Over the IP Survey Area



Geological Interpretation of Pipes Tested



Trial Mining Completed Successfully

- Confirmed High Grade Nature of Pipe Mineralisation.
- Grade Control Drilling Returned Average Grade of 0.34% Mo & 0.64% Bi.
- Additional Pipes Found that were not Anticipated
- Much Higher than Expected Bismuth Grades

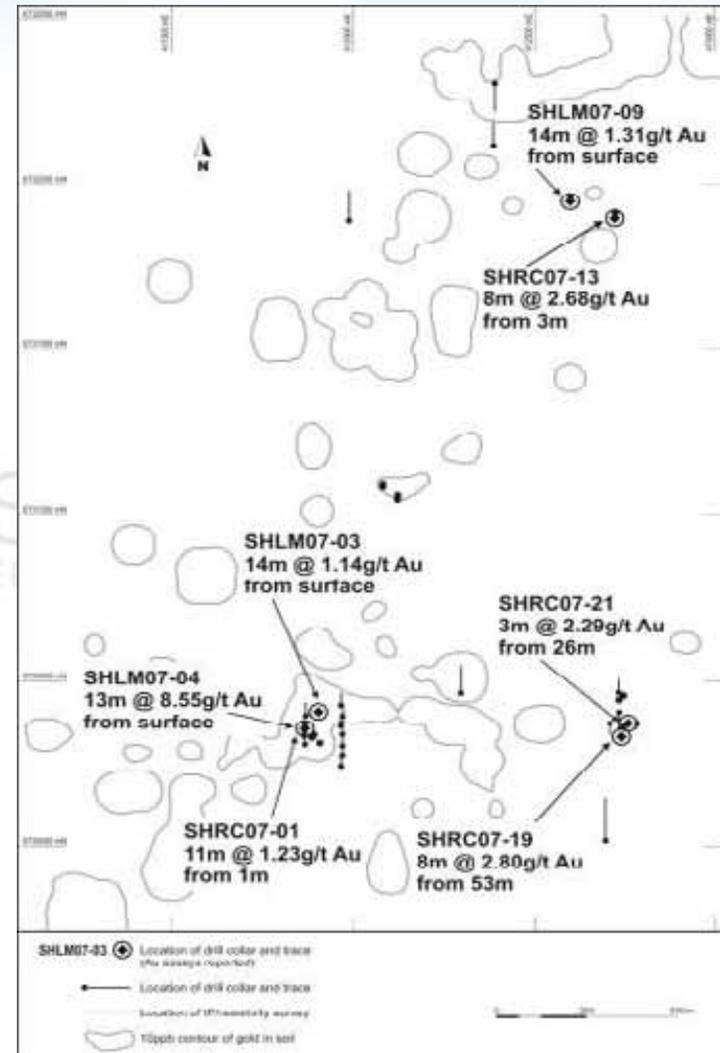


For the Miners – Kingsgate Scoping Study

- Kingsgate Project High Grade Operation, Low Processing Rate, Mine Life 5-10 years and Operating Cost of \$60.33t.
- Capital Estimated to be \$39.76M.
- Head grade of 0.23% Mo and 0.23% Bi Targeted.
- Based on a 250,000 tpa Processing Operation, Total of 911t Mo and 698t of Bi concentrates produced annually.
- Represents Revenue of \$158.12 per tonne of Ore at US\$22/lb Mo and US\$13/lb Bi concentrate prices.
- Not Counting Ag and Au Credits.
- Started Feasibility – Mining Mid 2009???

For the Explorers the New: Seven Hills Gold

- No Modern Exploration or Historical Reports of Gold.
- Anomalous Gold Geochemistry - 3500m x 1500m.
- Initial results: RAB - 13m @ 8.55 g/t Au and RC - 8m @ 2.8 g/t Au
- The Problem, no Outcrop or No Detailed Geological Data.
- Mineralisation Controls and Continuity not Understood.

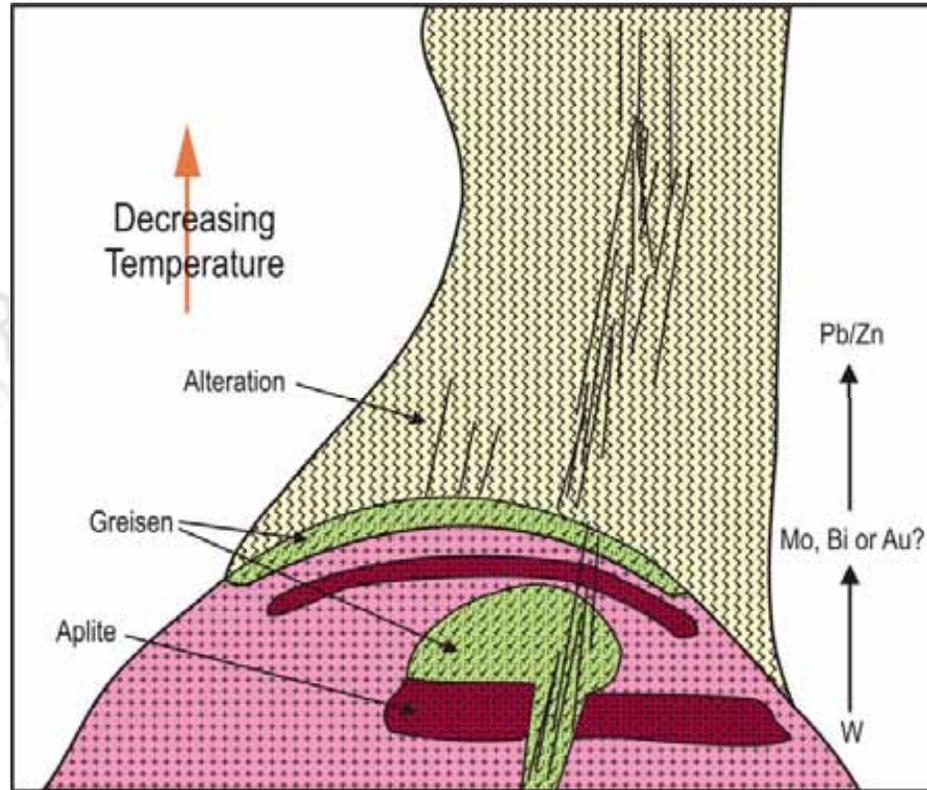


Seven Hills Mineralisation

- Fresh Mineralisation is Hydrothermally Altered
- Host Medium to Coarse Grained, Biotite Greisenised Leucogranite.
- Muscovite-sericite, with associated quartz, minor chlorite and sulphides and a trace of rutile.
- Geochemical Association is Au, As, Pb, Bi, Ag and Te.
- As and Pb not Typical of a Granite Gold System.



The Problem – Where is the Trap Requires Detailed Mapping, Geophysics and New Ideas!



Lessons And The Future

- Prospectivity Modelling Works Well as a Regional Targeting Tool, Saves Time, Focuses Exploration, Cuts Costs.
- Modelling has to Conform to Mineral System Model.
- The Lack of Prospect Scale Geological Data Means these Techniques are Less Effective at More Detailed Scales.
- New Research Ideas and Targeting Techniques Can Open New Areas in Australia for Exploration.
- Importantly these Areas are not Under Significant Depths of Cover Representing Low Cost Exploration targets.
- The Recent Rise in Metal Prices Also Means that Exploration Can be Applied for a Range of Metals.
- Discovery of Gold Greisen Association may be a New Variant of the Granite Gold Model.

Acknowledgements

Auzex Resources

Roger Mustard

Glen Little and Chris Bowden

All Field Geologist Who have Collected Historic Exploration Data Without Which
This Study Could Not Have Been Done.

Disclaimer or Trust Me I'm a Geologist!!!

Statements made in this presentation that are not historical facts are forward-looking statements that involve risk and uncertainties; actual results may differ from the forward-looking statements. The Company does not undertake to update any forward-looking statement that may be made from time to time by or on behalf of the Company. Also, the Company considers that any tonnage and grade assumptions in this presentation do not satisfy the definition of a Mineral Resource as set out in the JORC Code as insufficient work has been conducted to be able to determine the grade and tonnage of the deposit with greater accuracy. Further work may or may not establish a Mineral Resource on the property. Accordingly, the estimate of grade is released as provided by paragraph 18 of the JORC Code of 2004 in relation to an exploration target or exploration potential.