

Best Tasmania Reef gold intersection since 1983

17 May 2010

ASX Announcement

- Drillhole J26 intersects 46.7 g/t gold over 11.4m, including 115.7 g/t over 2.7m
- New zone of thick, high grade reef close to existing development is confirmed and extended
- Existence of new high grade zone was initially suggested by drillholes J23 (14.4 g/t gold over 12.5m) and J17 (8.8 g/t over 24.3m), both announced in April

BCD Resources CEO, Bill Colvin said: *"This exciting, thick, bonanza-grade intersection is the best obtained from the main Tasmania Reef since 1983 and demonstrates the very real potential for substantial high grade resource growth."*

The new high grade zone defined by drillholes J17, J23 and J26 is now emerging as a very significant, near-term source of low cost gold production. I expect it to add materially to the Tasmania Mine's JORC Reserves which were calculated at 285,000 ounces in December 2009".



Quartz-sulphide-gold mineralisation from the 2.7m interval in J26 averaging 115.7 g/t gold

An on-going campaign of underground diamond drilling in the Western Target of the Tasmania Mine, designed to extend current Resources, continues to provide substantial success with an outstanding high grade intersection in drillhole J26 (refer Figure 1 and Table 1).

Table 1 Significant Intersections

Hole	Easting	Depth (mbs)	From (m)	To (m)	Intersection width (m)	Estimated Horizontal Width (m)	Grade (g/t) gold
J26	2834	1,170	119.6	131.0	11.4	6.8	46.7
			120.2	122.1	1.9	1.1	85.3
			126.6	129.3	2.7	1.6	115.7
J23*	2868	1,167	134.7	147.2	12.5	7.5	14.4
			134.8	140.7	5.9	3.5	19.1
			141.6	147.2	5.6	3.4	11.7
J17*	2896	1,220	155.2	179.5	24.3	12.8	8.8
			155.2	165.1	9.9	5.3	8.2
			172.2	179.2	7.0	4.3	16.0

* Reported April 2010

Within the overall J26 intersection of 11.4m downhole (6.8m estimated horizontal width) at 46.7 g/t gold, 2.7m of strong sulphide mineralisation averaged 115.7 g/t gold (refer Photo). The J26 intersection is located approximately 35m west of the J23 downhole intersection of 12.5m at 14.4 g/t gold (including 5.9m at 19.1 g/t gold), as shown in Figure 1. It is also 50m above the J17 downhole intersection of 24.3m at 8.8 g/t gold.

The new high grade zone mostly lies outside the boundary of currently defined Resources (Figure 1) and it is expected to add materially to the mine's JORC Reserves (calculated at 285,000 ounces in December 2009) and Resources (estimated at 571,000 ounces).

Drilling is continuing with two underground rigs.

This new wide, high grade zone is close to current mine development (refer Figure 1). It therefore provides a significant opportunity to augment near term gold production at an attractive cost using the new enhanced mining method.

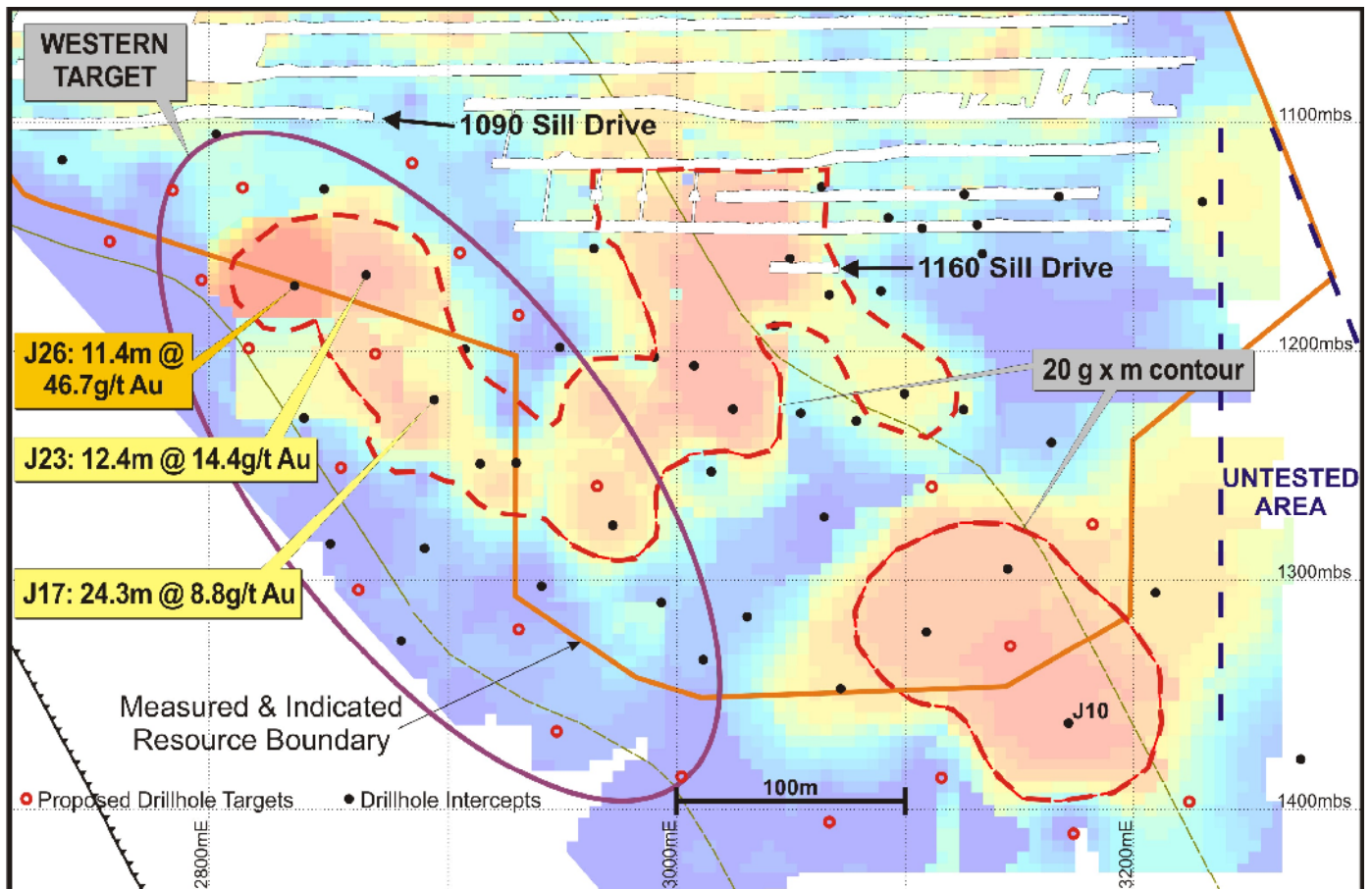


Figure 1 Long section of Tasmania Mine showing new high grade Western target zone (Intersections shown as downhole widths)

The exploration results presented in this report are based on information compiled under the supervision of Peter Thompson, who is a full time employee and a Member of The Australasian Institute of Mining and Metallurgy and has sufficient relevant experience in relation 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 Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Resources (The JORC Code, 2004). Mr Thompson consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

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