



Recent drilling adds 66,000 oz of high-grade resources (18.9 g/t gold) at the Tasmania Mine

28 May 2010

ASX Announcement

- **Interim JORC resource for the new Western Zone as at 26 May 2010 estimated to be 155,000 tonnes at 16.0 g/t gold containing 80,000 ounces**
- **Represents an additional 66,000 ounces or 12% increase on December 2009 total Tasmania Reef resources of 571,000 ounces**
- **Proximity of Western Zone to existing underground development will facilitate early development**
- **Best Western Zone hole to date, J26, intersects 46.7 g/t gold over 11.4m downhole, including 115.7 g/t over 2.7m**
- **Two underground rigs drilling to further extend gold resources**

BCD Resources CEO, Bill Colvin said: *"It is very pleasing to announce an addition of 66,000 ounces to our December 2009 gold resources as a result of our on-going drilling campaign. Importantly the additional resources are very high grade at 18.9 g/t."*

This new Western Zone is much thicker than typical Tasmania Reef mineralisation. We plan to extract it using our new radial-in-reef, remote mining method which offers substantial cost savings over our previous remote mining method. The new mining method, the ore thickness and the high gold grade indicate that mining of the Western Zone should be very profitable."

An on-going campaign of underground diamond drilling is delineating high grade ore in the western area of the Tasmania Mine, now known as the Western Zone. The Western Zone is close to existing underground development as shown in Figure 1. As considerable potential exists to add further high grade mineralisation to the resource, drilling has been accelerated with the manning of an additional diamond drill crew. Results of further significant intersections will be released as they become available.

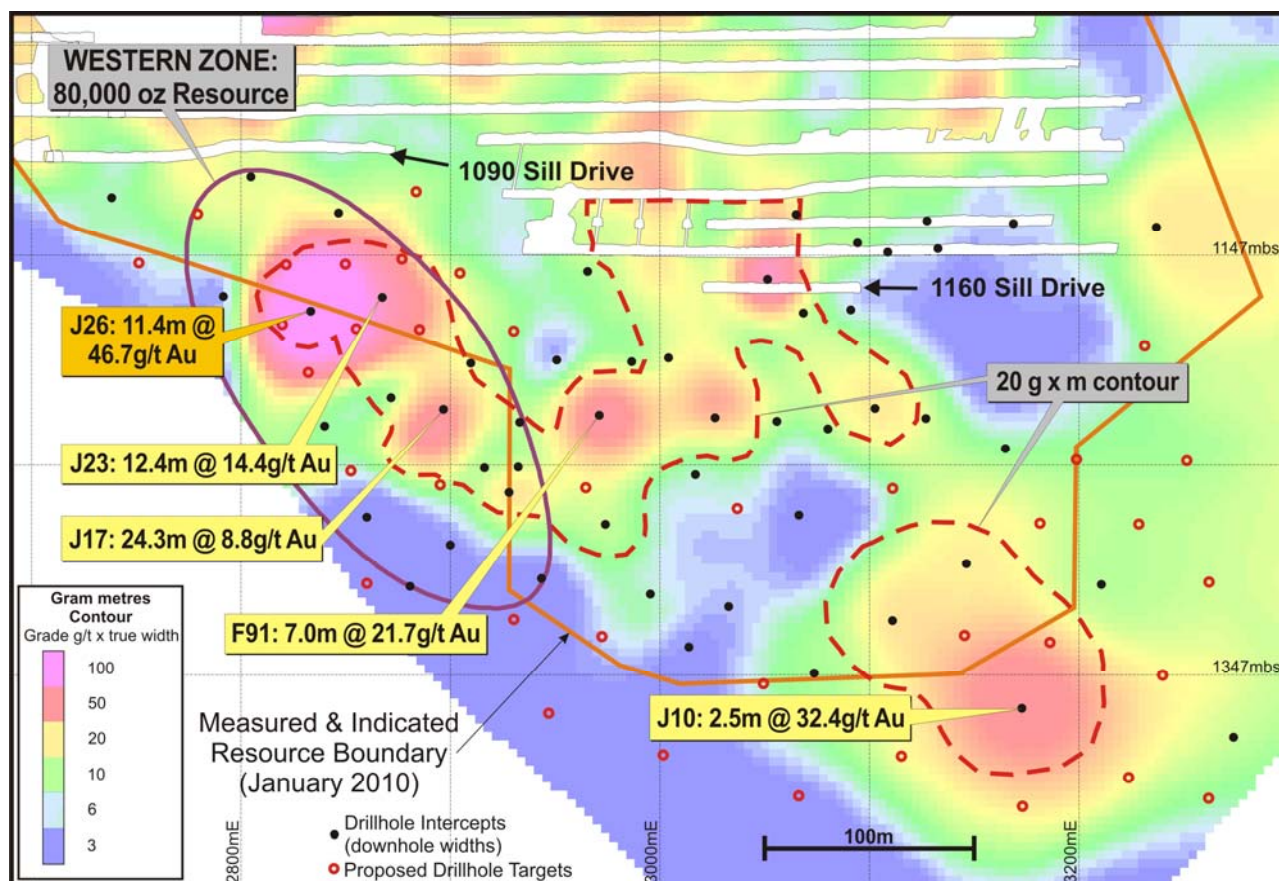


Figure 1 Western Zone of the Tasmania Reef

Resource Statement

An interim Resource Statement for the Western Zone has been independently prepared by Coffey Mining, using ordinary kriging to estimate grade. The Identified Mineral Resource for the Western Zone of the Tasmania Reef, using a 6.0 g/t gold cut-off, as at 26 May 2010 is shown in Table 1.

Table 1 Western Zone Resources as at 26 May 2010

Category	Tonnes	Gold Grade (g/t)	Contained ounces
Indicated Resource	58,000	13.8	25,650
Inferred Resource	96,800	17.4	54,100
Total Resource	154,800	16.0	79,750

The total Tasmania Reef Resource as at 31 December 2009 was 571,000 ounces. At that time, the resource estimate included 46,800 tonnes at 9.3 g/t gold for 14,000 ounces in respect of the

Western Zone. The increase for the Western Zone since 31 December 2009 therefore is 108,000 tonnes at 18.9 g/t for 66,000 ounces of gold.

Development Plans

The discovery of the thick, high-grade Western Zone promises to substantially improve the profitability of future mining operations at the Tasmania Mine.

The Western Zone is only 130m along strike from existing mine workings (refer Figure 1) and several alternatives to access the area for early production are currently being assessed.

The information in this report that relates to mineral resources at the Tasmania Mine is based on a resource estimate that has been compiled by Mr Troy Lowien, Senior Resource Geologist of Coffey Mining, who is 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 Lowien 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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