



Significant Increases in Tasmania Mine Gold Resources and Reserves

21 January 2010

ASX Announcement

- **Resources increased by 37% to 571,000 ounces**
- **85% of Resources in Measured and Indicated categories**
- **Reserves have increased by 37% to 285,000 ounces, after allowing for mining depletion of 78,000 ounces during 2009**

BCD Resources CEO, Bill Colvin said “At the beginning of 2009, we set ourselves a target of doubling the life of the Tasmania Mine. Allowing for 2009 production, we have effectively added 233,000 ounces to Mine Resources in a year, which is very pleasing and we look forward to further increases in 2010 and 2011 as drilling continues. Between the Tasmania Mine and the nearby open-pit prospect at Lefroy, the Company now holds substantial gold resources in excess of 600,000 ounces.”

An updated Resource and Reserve Statement has been prepared, using ordinary kriging (as in 2008) to estimate grade. The updated Identified Mineral Resource for the Tasmania Mine, using a 6.0 g/t gold cut-off, as at 31 December 2009 is:

Table 1 Tasmania Mine Resources (including Reserves) at 31 December 2009

Category	Tonnes	Gold Grade (g/t)	Contained ounces
Measured Resource	510,000	12.6	206,000
Indicated Resource	757,000	11.6	281,000
Inferred Resource	189,000	13.8	84,000
Total Resource	1,456,000	12.2	571,000

The previous Total Resource (as at 31 December 2008) contained 416,000 ounces. The total increase to 31 December 2009, before allowing for mining depletion, is 155,000 ounces (an increase of 37%). Increases have largely come from additional material identified from extensional underground drilling during 2009. This drilling program is ongoing and is expected to provide further resource additions during 2010.

The updated Ore Reserve (included within the Total Resource) for the Tasmania Mine, using a 6.0 g/t gold cut-off, as at 31 December 2009 is:

Table 2 Tasmania Mine Reserves at 31 December 2009

Category	Tonnes	Gold Grade (g/t)	Contained ounces
Proved Reserve	265,000	9.9	84,000
Probable Reserve	658,000	9.5	201,000
Total Reserve	923,000	9.6	285,000

The previous Total Reserve (as at 31 December 2008) was 265,000 ounces of contained gold. The increase to 31 December 2009, before allowing for mining depletion during 2009, is 20,000 ounces (an increase of 7.5%). The increase, after allowing for mining depletion of 78,000 ounces, was 98,000 ounces (an increase of 37%).

Including Inferred Resources from the Pinafore Deposit at Lefroy in north-east Tasmania, the Company has Resources of 609,000 ounces as follows:

Table 3 Total Company Resources (including Reserves) at 31 December 2009

Category	Tonnes	Gold Grade (g/t)	Contained ounces
Measured Resource (Tasmania Mine)	510,000	12.6	206,000
Indicated Resource (Tasmania Mine)	757,000	11.6	281,000
Inferred Resource (Tasmania Mine)	189,000	13.8	84,000
Inferred Resource (Pinafore Deposit)	810,000	1.5	38,000
Total Resources	2,266,000	8.4	609,000

The Tasmania Mine Resource/Reserve Statement accurately reflects information compiled under the supervision of Peter B. Hills B.Sc. (Hons), M. Eng. Sc., FAusIMM, a full-time employee of BCD Resources (Operations) NL, who is a Corporate Member of The Australasian Institute of Mining and Metallurgy and has sufficient relevant experience in relation to the mineralisation being reported on to qualify as a Competent Person as defined in the Australasian Code for Reporting of Identified Mineral Resources and Ore Reserves (The JORC Code, 2004).

The Pinafore Inferred Resource Statement was prepared in 2009 by Troy Lowien of Coffey Mining PL, who is a Member of The Australasian Institute of Mining and Metallurgy and has sufficient relevant experience in relation to the mineralisation being reported on to qualify as a Competent Person as defined in the Australasian Code for Reporting of Identified Mineral Resources and Ore Reserves (The JORC Code, 2004).