

Bulletin Resources is the 100% owner of the Lamboo (formerly Nicolson's) and Golden Crown Gold Projects located near Halls Creek in the Kimberley region of Western Australia. The projects have a combined open pit and underground Mineral Resource of 1.77 million tonnes at 5.2g/t Au (for a total of 294,000 ounces) and a 120,000 tpa processing facility currently under care and maintenance.

**ASX Code:** BNR

**Issued capital:**

63,814,823 listed ord. shares  
5,184,872 restricted ord. shares  
8,250,000 unlisted options

**Share price at 27 September 2012:** \$0.064

**Market capitalisation at 27 September:** \$4.4 million

**Cash on hand at 30 June 2012:** \$1.7 million

**Directors:**

Non-Executive Chairman:

Phil Retter

Managing Director:

Martin Phillips

Executive Director Operations:

Mick Fitzgerald

Non-Executive Director:

Steve Robinson

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## ASX Announcement

28 September 2012

### Lamboo Project Advances Closer Towards Development Decision

- Drilling at Wagtail and Rowdies lifts Lamboo Project resource base to 1.45mt at 5.6g/t Au for 261,000oz Au, including 1.03mt at 5.7g/t Au for 187,000oz Au (72%) reporting to the Indicated Resource category
- Wagtail/Rowdies open pits and Nicolson's Find underground successfully incorporated into Lamboo Project Plan
- Probable Ore Reserve increased by 35% to:

Open Pit	560,000t at 4.2g/t Au for 75,000oz Au
Underground	177,000t at 6.0g/t Au for 34,000oz Au
<b>Total</b>	<b>737,000t at 4.6g/t Au for 110,000oz Au</b>
- Feasibility study confirms low technical risk open pit operation transitioning to underground. In addition to 3.5 years of production contained within Ore Reserves, the plan includes 1.5 years of mining Inferred Resources. The study confirmed the following key outcomes:

<b>Average annual production</b>	<b>27,800 oz Au over 5 years</b>
<b>Start-up capital requirement</b>	<b>\$20m (incl. working capital)</b>
<b>Pre-production period</b>	<b>3 months from start of mining</b>
<b>Open pit C1 cash cost</b>	<b>\$835/oz (excl. State royalty)</b>
<b>Underground C1 cash cost</b>	<b>\$1,020/oz (excl. State royalty)</b>
<b>Payback (at A\$1,700/oz)</b>	<b>3.0 years</b>

- Open pit mining contract tender to be progressed and remaining submissions to WA Government for environmental and mining approvals to be made
- Further drilling planned to expand underground operation to 200,000 tpa targeting a production rate of 35,000 - 40,000 oz per annum
- Planned operation well placed to leverage, and self-fund, substantial additional value from the pipeline of resource and advanced exploration targets, without any significant requirement for additional development capital

Bulletin's MD, Martin Phillips commented: "This feasibility study update has successfully demonstrated a high conversion rate of open pit resources into reserves and also the economic viability of a near term underground mine development below Nicolson's Find. We have been rigorous in the design criteria and, notwithstanding current high industry rates, have delivered a robust development path within 18 months of our first drill hole. Now that we have laid the foundation for a profitable mining operation, we look forward to updating the market on our financing negotiations and value-add initiatives to grow the scale and life of the operation."

Bulletin Resources Limited (ASX: BNR) (“Bulletin”) is pleased to provide the following update on activities at its 100% owned Lamboo Project (formerly Nicolson’s) located near Halls Creek in northern WA.

In April 2012, Bulletin released the Lamboo Gold Project Feasibility Study (refer to ASX announcement dated 27 April 2012) which was based on a low-risk, open pit start up strategy transitioning to underground. The study recommended an upgrade of the existing processing facility to 200,000 tpa to support an initial five year mine life targeting a nominal production rate of 30,000 ounces of gold per annum.

In August 2012, Bulletin completed an 8,000 metre drilling campaign to infill the Inferred Resource areas contained within the Wagtail North, Wagtail South and Rowdies open pit designs and advance them into the Indicated Resource category to augment the existing Ore Reserve.

This announcement provides a summary of the outcomes from an update of the feasibility study. Additional information not referred to in this announcement may be found in Bulletin’s ASX release dated 27 April 2012.

### Mineral Resource Estimate

A revised Mineral Resource estimate was completed by Optiro Pty Ltd (“Optiro”) incorporating the results from the recently completed drilling campaign at Wagtail and Rowdies.

**Table 1: Lamboo Project Mineral Resource Statement – September 2012**

	Category	Tonnes	Gold grade (g/t)	Contained Gold (oz)
Nicolson’s	Open pit Indicated	333,000	5.5	59,000
	Open pit Inferred	16,000	2.7	1,000
	Underground Indicated	406,000	6.5	85,000
	Underground Inferred	372,000	5.7	69,000
Wagtail and Rowdies	Open pit Indicated	154,000	4.3	21,000
	Open pit Inferred	14,000	2.1	1,000
	Underground Indicated	133,000	5.0	22,000
	Underground Inferred	16,000	5.6	3,000
<b>Total</b>	<b>Open pit Indicated</b>	<b>487,000</b>	<b>5.1</b>	<b>80,000</b>
	<b>Open pit Inferred</b>	<b>30,000</b>	<b>2.4</b>	<b>2,000</b>
	<b>Underground Indicated</b>	<b>540,000</b>	<b>6.1</b>	<b>107,000</b>
	<b>Underground Inferred</b>	<b>388,000</b>	<b>5.7</b>	<b>71,000</b>
<b>PROJECT TOTAL</b>		<b>1,445,000</b>	<b>5.6</b>	<b>261,000</b>

For each deposit, pit optimisations were used to classify the resource as either open pit or underground. Open pit resources contained within the optimised pit shell were reported above a cut-off grade of 0.60g/t Au. Mineralisation extending outside the pit shell was categorised as

underground and reported above a cut-off grade of 3g/t Au. A summary of the updated Mineral Resource estimate is presented in Table 1 with a detailed breakdown provided in the Appendix to this announcement.

## Ore Reserve Estimate

The Project's Probable Ore Reserve has increased by 29,000 ounces (35%) to 737,000t at 4.6g/t Au containing 110,000 ounces of gold.

### Open Pit Ore Reserve

AMC Consultants Pty Ltd ("AMC") generated mine planning block models for all deposits based on Optiro's Mineral Resource model, inclusive of mining dilution and mining recovery factors. The mine planning model was based on a selective mining unit size of 1 m x 5 m x 2.5 m in the X (east-west), Y (north-south) and Z (vertical) directions respectively. The Ore Reserve estimate is derived from that part of the mine planning model contained within pit designs based on pit shells generated using pit optimisation software using the optimisation parameters shown in Table 2.

The mining costs used in the pit optimisation were based on a budget cost estimate Bulletin obtained from mining contractors. The Rowdies, Wagtail North and Wagtail South mining costs have been estimated on a marginally costed basis. Both contractor and owner fixed mining costs have been excluded from the mining costs used in the pit optimisations for these pits.

**Table 2: Lamboo Pit Optimisation Parameters**

Parameter	Unit	Nicolson's Find	Nicolson's South	Rowdies	Wagtail North	Wagtail South
Overall slope-weathered zone	°	35°	35°	30°	30°	30°
Overall slope-transitional zone	°	55°	55°	45°	45°	45°
Overall slope-fresh rock	°	55°	55°	45°	45°	45°
Mining cost	Variable rate based on cost estimate from mining contractors					
Processing rate	ktpa	200	200	200	200	200
Metallurgical recovery	%	95%	95%	95%	95%	95%
Processing cost	A\$/t ore	25.00	25.00	25.00	25.00	25.00
Site general and admin cost	A\$/t ore	21.12	21.12	-	-	-
Grade control cost	A\$/t ore	1.50	1.50	1.50	1.50	1.50
Transport and refining cost	A\$/oz	4.00	4.00	4.00	4.00	4.00
Royalties	%	2.5%	2.5%	2.5%	2.5%	2.5%
Gold Price	A\$/oz	1,500	1,500	1,500	1,500	1,500
Discount Rate	%	10%	10%	10%	10%	10%

A cut-off grade of 1.1g/t Au has been applied in the Ore Reserve estimates for the Nicolson's Find and Nicolson's South open pits. A marginally-costed cut-off grade of 0.6g/t Au has been applied in the Ore Reserve for the Rowdies, Wagtail North and Wagtail South open pits.

### Underground Ore Reserve Estimate

AMC completed a design and cost estimate for the underground mining of the remaining Indicated Resource below the planned Nicolson’s Find open pit. The design was based on an uphole bench retreat mining method. Stopes were designed based on stope optimisation solids generated using the parameters in Table 3.

**Table 3: Nicolson’s Underground Optimisation Parameters**

Parameter	Unit	Value
Minimum mining width	m	1.5
Hanging wall dilution width	m	0.2
Foot wall dilution width	m	0.2
Total minimum stope width	m	1.9
Sub-level interval	m	15
Cut-off grade – optimised stopes	g/t Au	4.5
Cut-off grade – marginal stopes	g/t Au	2.5
Cut-off grade – development	g/t Au	1.1

The optimised cut-off grade was determined by running stope optimisations at a range of cut-off grades to identify that which generated the maximum discounted cash flow. The extents of the stopes generated using this optimised cut-off grade was used to delineate the perimeter which constrained the mine design. The marginally-costed stopes were later included in the mine design where ore drive development was already designed to access the optimised cut-off stopes.

Stope designs included the dilution skins shown above. A dilution factor of 5% was applied to development material. A mining recovery factor of 95% was applied to both stopes and development.

### Ore Reserve Estimate Summary

The Ore Reserve estimate for the Lamboo project as at September 2012 is presented in Table 4.

**Table 4: Lamboo Ore Reserve Statement – September 2012**

	Proved			Probable			Total		
	Tonnes	Gold grade (g/t)	Contained Gold (oz)	Tonnes	Gold grade (g/t)	Contained Gold (oz)	Tonnes	Gold grade (g/t)	Contained Gold (oz)
Nicolson's South Pit	-	-	-	268,000	4.4	38,000	268,000	4.4	38,000
Nicolson's Find Pit	-	-	-	92,000	5.9	17,000	92,000	5.9	17,000
Wagtail North Pit	-	-	-	105,000	3.0	10,000	105,000	3.0	10,000
Rowdies Pit	-	-	-	19,000	2.0	1,000	19,000	2.0	1,000
Wagtail South Pit	-	-	-	77,000	3.6	9,000	77,000	3.6	9,000
<b>Total Open Pit</b>				560,000	4.2	75,000	560,000	4.2	75,000
Underground	-	-	-	177,000	6.0	34,000	177,000	6.0	34,000
<b>Total</b>	-	-	-	737,000	4.6	110,000	737,000	4.6	110,000

### Life-of-Mine Planning

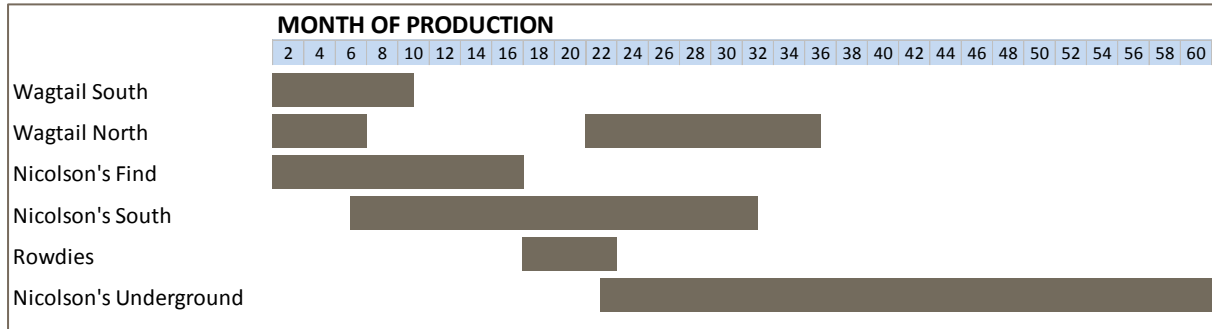
The feasibility study has confirmed the Lamboo project mine plan, providing 5 years of continuous mill feed at 200,000 tpa. In addition to the 3.5 years of production sourced from open pit and underground Ore Reserves shown in Table 4, the life-of-mine plan includes Inferred Resources from beneath the current Nicolson's underground Ore Reserve following assessment using comparable mining modifying factors. The material additional to Ore Reserves included in the mine plan is presented in Table 5. There is a low level of geological confidence associated with Inferred Resources and there is no certainty that further exploration work will result in the determination of an Indicated Resource or that the production target itself will be realised.

**Table 5: Mineral Resource included in production forecast and proportion of mine plan**

<b>Nicolson's Mineral Resource</b>	<b>Tonnes</b>	<b>Grade (g/t Au)</b>	<b>Gold oz</b>	<b>% of Forecast</b>
Underground Inferred Resource	180,000	5.5	31,600	22%
Open pit low grade Indicated Resource	77,000	1.0	2,400	2%
Underground low grade Indicated & Inferred Resource	8,000	0.8	200	<1%

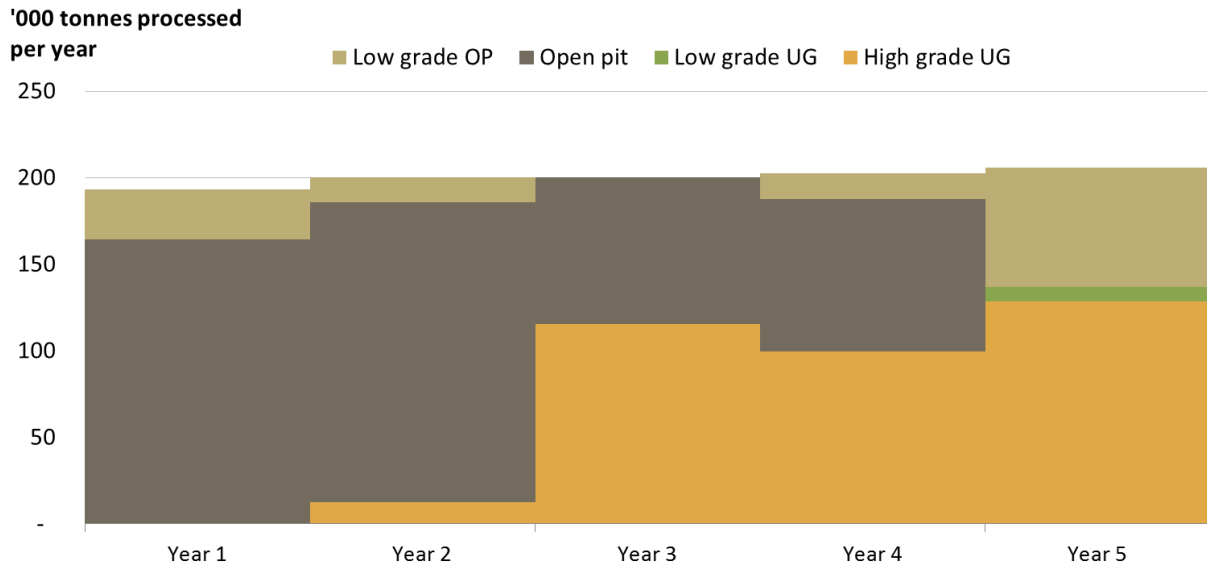
The ability of the Wagtail North and Wagtail South open pits to deliver a steady supply of shallow ore at the commencement of operations will enable gold production to begin within 3 months of mining start-up. The open pits will produce ore at an annualised rate of up to 250,000 tpa while the initial underground mine production rate is expected at 120,000 tpa inclusive of development ore. Stockpiled open pit ore will be used for blending.

Development of the underground mine via a portal and decline from the base of the Nicolson's Find open pit is scheduled for commencement in the second half of Year 2 (Figure 1).



**Figure 1 Lamboo Project Mining Schedule**

The mill feed schedule showing the proportion of mill feed sources by year is presented in Figure 2.



**Figure 2 Lamboo Project Mill Feed Schedule**

### Project Summary

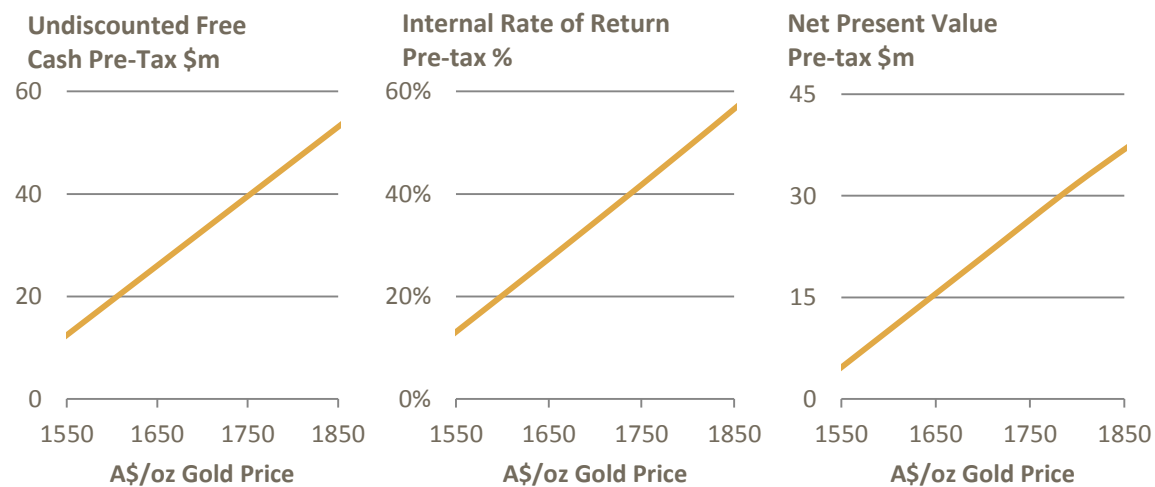
A summary of the key performance indicators for the 5 year life-of-mine plan are summarised in Tables 6 and 7. The metrics are inclusive of the additional material outside of the Ore Reserve presented in Table 5. The project is, however, sufficiently robust to generate a positive NPV should this material be excluded from the life-of-mine plan.

**Table 6: Lamboo Project Key Performance Indicators - Physicals**

	Notes	Units	
Annual Mill Throughput		Tonnes	200,000
Average Mill Feed Grade		g/t Au	4.5
Life of Project	Years of mill feed	Years	5.0
Production Rate	Average over project life	oz Au pa	27,800
Recovery		%	97
C1 Cash Cost (excluding royalty) <sup>1</sup>	Open pit	\$/oz Au	\$835
	Underground	\$/oz Au	\$1,020
	Average	\$/oz Au	\$946

**Table 7: Lamboo Project Key Performance Indicators - Financials**

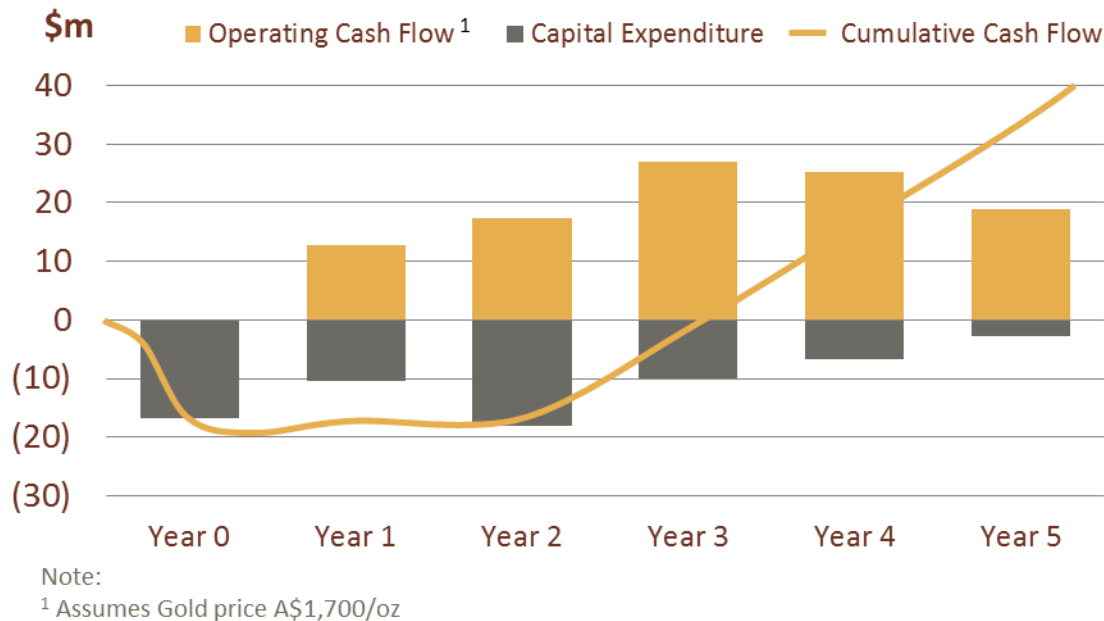
	Notes	Units	
Plant & Infrastructure Capital		\$m	14
Pre-production Working Capital		\$m	6
Free Cash Flow (pre-tax, after capital)	A\$1,650/oz - A\$1,750/oz	\$m	26 – 40
Project NPV <sub>7% real</sub> (pre-tax)	A\$1,650/oz - A\$1,750/oz	\$m	16 – 26
Project IRR (pre-tax)	A\$1,650/oz - A\$1,750/oz	%	27% - 42%
Project Payback	A\$1,650/oz - A\$1,750/oz	Years	2.8 – 3.2



**Figure 3 Lamboo Project Gold Price Sensitivity**

<sup>1</sup> Includes costs for operating waste handling, mining, processing, freight, refining charges and mine administration, net of silver credits

The capital requirement for the owner-operated underground development is estimated at \$8.6 million inclusive of the mining fleet. The cash flow and capital expenditure schedule in Figure 4 shows that the Lamboo Project free cash flow is highly leveraged to mine life and increased production rate. In addition, capital expenditure for the development of the underground mine in the life-of-mine plan is provided by free cash flow generated from the open pits.



**Figure 4 Lamboo Project Cash Flow Profile**

## Next Steps

### Financing Strategy

Bulletin will begin discussions with advisors and various parties on a range of financing options for the development of the Project. Of particular importance to our financing consideration is the capital and pre-production working capital requirement in the life-of-mine plan of approximately \$20 million. This figure is subject to final adjustments following confirmation of rates with mining contractors through the proposed tender process. Most of the reduction is a consequence of the higher gold price and elevation of Wagtail South and Wagtail North into the mine plan, reducing the pre-production period to 3 months from commencement of mining.

### Project Execution Plan

The Development Decision remains subject to the approval of the final project and cash flow schedule which will include open pit mining contract rates received through a competitive tender process. As discussed in Bulletin's ASX release dated 27 April 2012, scope remains to refine the project capital estimate. The opportunities to be further investigated in coming months include:

- reductions in plant and equipment costs through securing of second hand items;
- build-own-operate contracts for the mine village; and



- leasing versus capital investment, for example mining equipment.

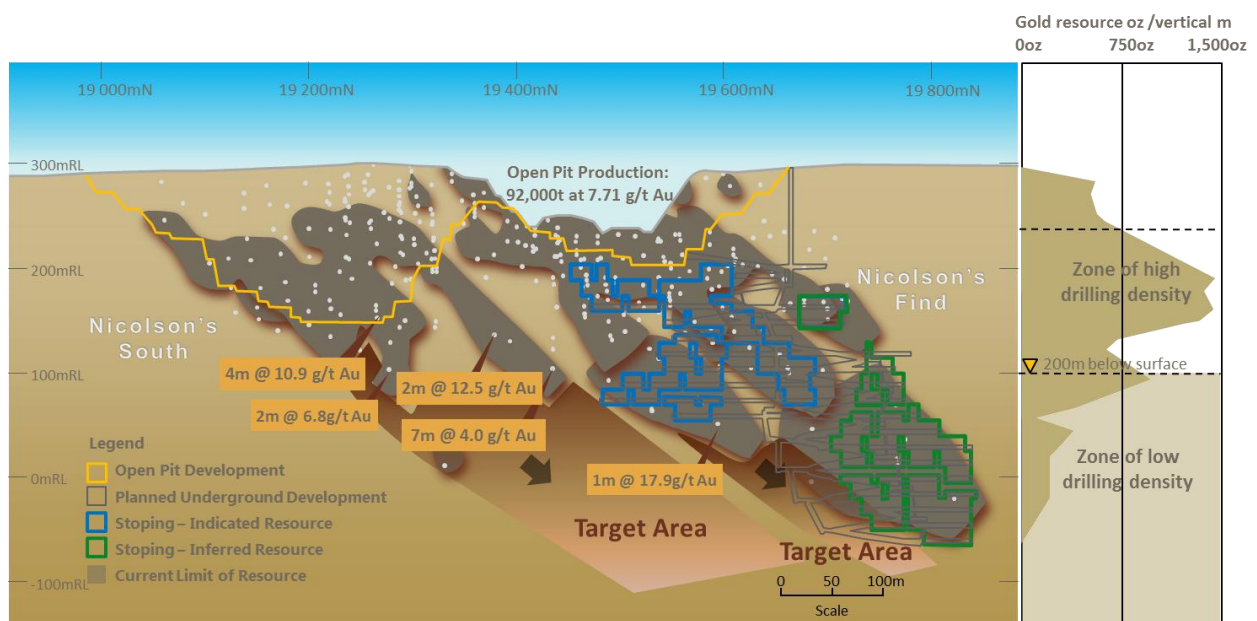
### Permitting Status and Timetable

Two miscellaneous licences for the bore pipeline and the mine access road have been granted allowing final submission of the Mining Proposal to the WA Department of Mines and Petroleum. The application for the Lamboo Project Works Approval was made last month and our project team is now providing additional information requested by the WA Department of Environment and Conservation. The Government approval timeline is currently estimated at 4 - 5 months.

### Resource Expansion Strategy

Bulletin will continue to progress its business strategy to grow the resource inventory. In the short term, further drilling will be carried out to expand the resource extending below the Nicolson's Find and Nicolson's South pits at depth and lateral to the planned underground development (Figure 5). The objective of the drilling is to increase the planned 120,000 tpa mining rate to 200,000 tpa and to target annual production of 35,000 to 40,000 oz Au<sup>2</sup> at a reduced cash cost. An investment decision on the underground mine will be made subsequent to, and in consideration of, the results of this drilling program.

It is not anticipated that extensions to the underground mine plan resulting from resource expansion would require significant additional development capital.



**Figure 5 Nicolson's Long Section showing resource outline, ounce/vertical metre profile and stope layout**

<sup>2</sup> Cautionary Statement: The stated production target is not a 'prediction' that with any confidence will be met, and should not be relied upon by investors when making investment decisions. It is provided to give investors a better idea of the Company's future plans, prospects and development path. Further evaluation work and appropriate studies are required to establish sufficient confidence that this target will be met.

**ASX Announcement**

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Further drilling is also planned on the Golden Crown resource in advance of an open pit mining study and along the numerous untested, high grade vein targets recently outlined at the Hyena and Paddock Well prospects within the Lamboo project tenements.

**Bulletin Resources Ore Reserve Statement – September 2012**

Open Pit	Proved			Probable			Total		
	Tonnes	Gold grade (g/t)	Contained Gold (oz)	Tonnes	Gold grade (g/t)	Contained Gold (oz)	Tonnes	Gold grade (g/t)	Contained Gold (oz)
Nicolson's South	-	-	-	268,000	4.4	38,000	<b>268,000</b>	<b>4.4</b>	<b>38,000</b>
Nicolson's Find	-	-	-	92,000	5.9	17,000	<b>92,000</b>	<b>5.9</b>	<b>17,000</b>
Wagtail North	-	-	-	105,000	3.0	10,000	<b>105,000</b>	<b>3.0</b>	<b>10,000</b>
Rowdies	-	-	-	19,000	2.0	1,000	<b>19,000</b>	<b>2.0</b>	<b>1,000</b>
Wagtail South	-	-	-	77,000	3.6	9,000	<b>77,000</b>	<b>3.6</b>	<b>9,000</b>
<b>Total Open Pit</b>				<b>560,000</b>	<b>4.2</b>	<b>75,000</b>	<b>560,000</b>	<b>4.2</b>	<b>75,000</b>
Underground	-	-	-	177,000	6.0	34,000	<b>177,000</b>	<b>6.0</b>	<b>34,000</b>
<b>Total</b>	-	-	-	<b>737,000</b>	<b>4.6</b>	<b>110,000</b>	<b>737,000</b>	<b>4.6</b>	<b>110,000</b>

Note: Figures may not add due to rounding

**Bulletin Resources Mineral Resource Statement – September 2012**

Category		Tonnes	Gold grade (g/t)	Contained Gold (oz)
<b>Lamboos Project</b>				
Nicolson's	Open pit Indicated	333,000	5.5	59,000
	Open pit Inferred	16,000	2.7	1,000
<b>Total open pit</b>		<b>349,000</b>	<b>5.4</b>	<b>60,000</b>
Underground	Indicated	406,000	6.5	85,000
	Inferred	372,000	5.7	69,000
<b>Total underground</b>		<b>778,000</b>	<b>6.2</b>	<b>154,000</b>
<b>Nicolson's total</b>		<b>1,127,000</b>	<b>5.9</b>	<b>214,000</b>
Rowdies	Open pit Indicated	17,000	2.4	1,000
	Open pit Inferred	6,000	2.7	1,000
<b>Total open pit</b>		<b>22,000</b>	<b>2.5</b>	<b>2,000</b>
Underground	Indicated	35,000	5.4	6,000
	Inferred	7,000	6.4	1,000
<b>Total underground</b>		<b>43,000</b>	<b>5.6</b>	<b>8,000</b>
<b>Rowdies total</b>		<b>65,000</b>	<b>4.5</b>	<b>9,000</b>

	Category	Tonnes	Gold grade (g/t)	Contained Gold (oz)
Wagtail North	Open pit Indicated	87,000	3.8	11,000
	Open pit Inferred	1,000	0.8	0
	<b>Total open pit</b>	<b>88,000</b>	<b>3.8</b>	<b>11,000</b>
	Underground Indicated	82,000	4.9	13,000
	Underground Inferred	4,000	4.7	1,000
	<b>Total underground</b>	<b>86,000</b>	<b>4.8</b>	<b>13,000</b>
	<b>Wagtail North total</b>	<b>174,000</b>	<b>4.3</b>	<b>24,000</b>
Wagtail South	<b>Open pit Indicated</b>	<b>51,000</b>	<b>5.6</b>	<b>9,000</b>
	Open pit Inferred	7,000	1.9	0
	<b>Total open pit</b>	<b>58,000</b>	<b>5.2</b>	<b>10,000</b>
	Underground Indicated	16,000	4.5	2,000
	Underground Inferred	5,000	5.1	1,000
	<b>Total underground</b>	<b>21,000</b>	<b>4.6</b>	<b>3,000</b>
	<b>Wagtail South total</b>	<b>79,000</b>	<b>5.0</b>	<b>13,000</b>
<b>Total</b>	<b>Total open pit</b>	<b>517,000</b>	<b>5.0</b>	<b>82,000</b>
	<b>Total underground</b>	<b>928,000</b>	<b>6.0</b>	<b>178,000</b>
<b>Project Total</b>	<b>Project total</b>	<b>1,445,000</b>	<b>5.6</b>	<b>261,000</b>
<b>Golden Crown Project</b>				
Golden Crown	Open pit Inferred	136,000	3.80	17,000
Faugh-a-Ballagh	Open pit Inferred	187,000	2.83	17,000
<b>Project Total</b>		<b>323,000</b>	<b>3.24</b>	<b>34,000</b>
<b>Combined Total</b>		<b>1,768,000</b>	<b>5.2</b>	<b>294,000</b>

Note: Lamboo Project Resource Estimate reported at 0.6g/t Au cut-off grade for potential open pit material and 3.0g/t Au cut-off grade for potential underground material. Golden Crown Project Resource Estimate reported at 1.0g/t Au cut-off grade. Figures may not add due to rounding.

### Competent Persons statement

*The information in this table that relates to Lamboo Project Mineral Resources is based on information compiled by Mr Ian Glacken, who is a Fellow of the AusIMM. Mr Glacken is a full time employee of Optiro Pty Ltd where he holds the title of Principal Consultant. Mr Glacken has sufficient experience 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'. Mr Glacken consents to the inclusion in this table of the matters based on his information in the form and context in which it appears.*

*The information in this table that relates to Golden Crown and Faugh-a-Ballagh Mineral Resources is based on information compiled by Mr Aaron Green, who is a Member of the Australian Institute of*

*Geoscientists (AIG). Mr Green is a full time employee of Runge Limited where he holds the title of Operations Manager WA. Mr Green has sufficient experience 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'. Mr Green consents to the inclusion in this table of the matters based on his information in the form and context in which it appears.*

*The information in this table that relates to Ore Reserves is based on information compiled by Mr Glen Carthew who is a Member of the Australasian Institute of Mining and Metallurgy. Mr Carthew is a full time employee of AMC Consultants Pty Ltd. Mr Carthew has sufficient experience which 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'. Mr Carthew consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.*

*The information in this report that relates to Exploration Results is based on information compiled by Mark Csar, who is a Fellow of The AusIMM. Mark Csar is a full-time employee of the company and has sufficient experience which 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'. Mark Csar consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.*