

15 October 2013

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FORECAST MINE PRODUCTION INCREASED TO 2.5Moz CONTAINED GOLD

- Economic benefit of infrastructure relocation confirmed
- Estimated mine production increased by 5.4Mt containing 150,000 ounces of gold
- Forecast production now 94.7Mt containing 2,562,000 ounces of gold
- Estimated net cash flow increased by approximately \$35 million at current spot gold price¹

Bullabulling Gold Limited is pleased to report that on-going optimisation of the Bullabulling Gold Project has confirmed potential for further improvement in economic performance through the relocation of public infrastructure at the northern end of the project area.

A series of four open pits have been proposed for development at Bullabulling. The northern most pits, Bonecrusher and Dicksons, are separated by an exclusion zone accommodating overhead power transmission lines and a below-ground telecommunications cable. Dicksons is separated from the Phoenix pit to the south by an easement for Great Eastern Highway and the Goldfields Water Supply pipeline.

Revised mine designs based on the recently updated resource estimate (see release 19 September 2013) show that relocation of the power line and telecommunications cable would enable the Bonecrusher and Dicksons pits to be expanded to capture an additional 5.4 million tonnes grading 0.87g/t for 150,000 ounces of contained gold. This would take total forecast mine production over a projected mine life of approximately 13 years to 94.7 million tonnes at 0.84g/t for 2,562,000 ounces of contained gold. At the current spot gold price¹, the additional production is estimated to increase potential net cash flow by approximately \$35 million after allowing for infrastructure relocation costs, operating costs, metallurgical recovery and royalties.

A comparison of the new production forecast with the previous estimate released on 2 July 2013, which was calculated using the same parameters, is presented in the table below.

Bullabulling Preliminary Mine Production Estimate (Diluted Mineral Resource ² Within Pit Designs)									
	Indicated Resource			Inferred Resource			Total		
	Tonnes	Grade	Ounces	Tonnes	Grade	Ounces	Tonnes	Grade	Ounces
July 2013	76.3 Mt	0.82 g/t	2,007,000 oz	13.0 Mt	0.97 g/t	405,000 oz	89.3 Mt	0.84 g/t	2,412,000 oz
Increase	3.6 Mt	0.82 g/t	90,000 oz	1.8 Mt	0.97 g/t	61,000 oz	5.4 Mt	0.87 g/t	150,000 oz
October 2013	79.8 Mt	0.82 g/t	2,096,000 oz	14.8 Mt	0.97 g/t	466,000 oz	94.7 Mt	0.84 g/t	2,562,000 oz

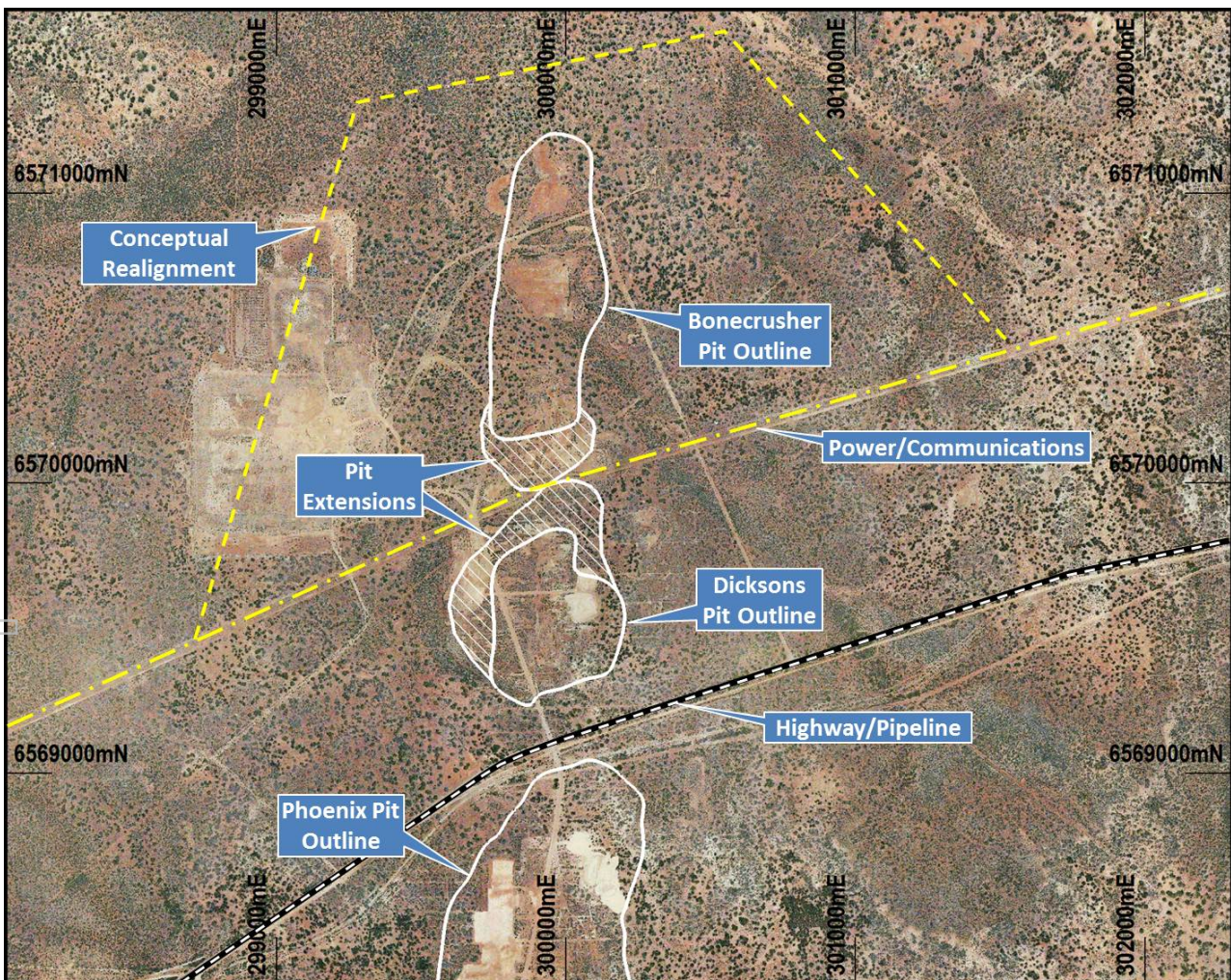
The production estimate is not a Mining Reserve as approximately 15% of the resource tonnage within the pit designs is classified as Inferred. It is intended to carry out infill drilling in the first half of 2014 to reclassify the Inferred Resource within the pit designs to enable a maiden Mining Reserve to be declared. If infill drilling results in the Inferred Resource being reclassified without a material change in tonnage or grade and there is no significant change in economic parameters, it is expected that a Mining Reserve of approximately 2.5 million ounces would be reported.

Pit optimisation studies support the extension of the Bonecrusher pit to the south and an extension of the Dicksons pit to the north such that the crests of the two pits just meet on the current power line alignment, but do not fully connect. Based on current data the zone beneath the power line is not as well mineralised as the adjacent areas. This may in part be due to reduced drilling density and it is possible that with further drilling additional mineralisation could be identified which would warrant integration of the two pits, however there are no plans to evaluate this prior to relocation of the power lines.

The optimisation work did not support a major relocation of Great Eastern Highway and the Goldfields Water Supply pipeline to extend the Dicksons pit south and the Phoenix pit north. However a minor realignment of the road and pipe line, which would enable an incremental northerly extension of the Phoenix pit, may be warranted and will be further evaluated at a later stage in the definitive feasibility study.

Preliminary discussions have taken place with Western Power, Telstra Corporation and Main Roads Western Australia regarding realignment of the power line, communications cable and highway. No impediments to the relocation have been raised, however detailed design, engineering and costing are yet to be carried out.

The revised pit outlines and conceptual infrastructure realignment are shown on the plan below.



Revised Pit Outlines and Conceptual Infrastructure Realignment

For information, contact:

Brett Lambert Bullabulling Gold Limited Level 2, 55 Carrington Street Nedlands, WA, 6009, Australia Tel: +61 8 9386 4086	Westhouse Securities Limited (UK Broker & Nominated Adviser) Martin Davison / Dominic Palmer-Tomkinson / Hugo Rubinstein Tel: +44 20 7601 6100
Neil Boom Gresham PR Ltd (UK media) Tel: +44 7866 805 108	John Gardner / Rupert Dearden MAGNUS Investor Relations. Corporate Communication. (Australian Media) Tel: +61 8 6160 4900 jgardner@magnus.net.au rdearden@magnus.net.au

About Bullabulling Gold Limited

Bullabulling Gold Limited is listed on the Australian Securities Exchange (ASX:BAB) and London's AIM Market (AIM:BGL) and has approximately 341.7 million shares on issue. The Company's primary asset is the wholly owned Bullabulling Gold Project, located 60 kilometres west of Kalgoorlie in Western Australia.

The Bullabulling Gold Project hosts JORC compliant Mineral Resources of 3.76 million ounces comprising Indicated Resources of 72.4 million tonnes at 0.98 g/t gold (2.28 million ounces) and Inferred Resources of 41.5 million tonnes at 1.11 g/t gold (1.48 million ounces). Exploration has demonstrated strong potential for further expansion of the resource base.

The Bullabulling deposit is amenable to bulk tonnage open pit mining and conventional CIL processing. All resources are situated on granted Mining Leases in close proximity to infrastructure.

The Company is conducting a definitive feasibility study into the development of a large scale, low cost mining operation at Bullabulling which is scheduled for completion in 2014.

Competent Person Statement

The information in this report that relates to the Exploration Results, Mineral Resources or Ore Reserves is based upon information compiled by Mr Trevor Pilcher, who is a full time employee of the Company and is a member of The Australasian Institute of Mining and Metallurgy. Mr Pilcher has sufficient experience relevant to the style of mineralisation and type of deposit under consideration and the activity in which he is undertaking to qualify as a Competent Person under 2004 Edition of the Australasian Code for Reporting Exploration Results, Mineral Resources and Ore Reserves (JORC Code). Mr Pilcher consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.

Notes

1. The gold spot price and exchange rate at the close of business on 14 October 2013 were US\$1,278 per ounce and 0.9466 respectively.
2. The Bullabulling Gold Project Mineral Resource consists of Indicated and Inferred Resources totalling 113.9 million tonnes at 1.03g/t for 3,761,000 ounces of contained gold and was estimated using a cut-off grade of 0.50g/t (see release 19 September 2013). The production estimate has been developed from mining blocks which include mineralisation below the resource cut-off grade.