

19 October 2011

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ASX RELEASE

Dear Shareholder

PRO- RATA ENTITLEMENT OFFER

Auzex Resources Limited (**Company**) recently announced a capital raising comprising:

- a placement of \$3.4 million to institutional and sophisticated domestic and international investors; and
- a proposed 1 for 5 renounceable rights issue to raise up to approximately \$4.6 million.

The net proceeds of the capital raising will be used to fund the development of the Company's flagship Bullabulling gold project.

Details of the Rights Issue

Under the rights issue, eligible shareholders will be able to subscribe for 1 share for every 5 shares that they hold at the record date at an issue price of \$0.24 per share (**Rights Issue**). Shareholder approval is not required for the Rights Issue.

There will also be a shortfall facility, under which eligible shareholders will have the ability to subscribe for additional shares in the Company, which may be issued from any shortfall under the Rights Issue.

A maximum of approximately 19,038,777 shares will be issued by the Company under the Rights Issue. Shares issued will rank equally with all existing shares from the date of issue. The Company has applied for the quotation of the shares on ASX.

Underwriting is being sought by the Company but has not yet been finally secured. The Company will update the market by the offer opening date.

Eligible Shareholders

The Rights Issue will be offered to all shareholders of the Company with a registered address in Australia and New Zealand, at 7.00pm (Sydney time) on 27 October 2011 (**Eligible Shareholders**).

Ineligible Shareholders

The Company regrets that, having considered the number of shareholders with registered addresses outside Australia and New Zealand (**Ineligible Shareholders**), the number and value of the shareholdings held by Ineligible Shareholders, and the costs of complying with the laws and any requirements of any regulatory authority in each applicable jurisdiction, it will not offer the Rights Issue to Ineligible Shareholders.

Sale of Entitlements

The Rights Issue will be renounceable, which means that entitlements can be sold or otherwise transferred.

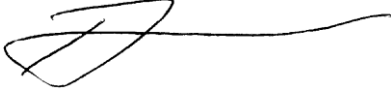
The Company will appoint a nominee to be issued with, and arrange for the sale of, the entitlements that would otherwise have been offered to Ineligible Shareholders' and to account to Ineligible Shareholders for the net proceeds of sale. The nominee will sell those entitlements and, if they are sold, send the proceeds of the sale (if any), net of expenses, to Ineligible Shareholders.

Important dates

Event	Date
Lodge Appendix 3B and cleansing notice with ASX	19 October 2011
Despatch letter to Shareholders	19 October 2011
Existing shares quoted 'ex' rights Rights trading commences	21 October 2011
Record date	27 October 2011
Despatch offer booklet and entitlement and acceptance form to Shareholders	2 November 2011
Offer opens	2 November 2011
Rights trading ends	9 November 2011
Offer closes (at 5:00pm Sydney time)	16 November 2011
Issue and allotment of shares	24 November 2011
Holding statements despatched	24 November 2011
Normal trading resumes	25 November 2011

The dates above are indicative only and subject to the Listing Rules and the Corporations Act, the Company reserves the right to change any date, including to extend the closing date or to close the offer early without prior notice.

The Directors thank you for your ongoing support of the Company.

A handwritten signature in black ink, consisting of a large, stylized loop followed by a long horizontal stroke.

Paul Frederiks
Company Secretary