

13 July 2010

auzex RESOURCES
LIMITED ABN 74 106 444 606

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Dear Shareholder

Auzex Resources Limited - renounceable rights issue

On 30 June 2010, the Company announced to ASX that it is undertaking a capital raising comprising:

- a placement of approximately \$AU0.9 million to institutional, professional and sophisticated investors (**Placement**);
- a renounceable rights issue for Eligible Shareholders to raise up to approximately \$AU2.35 million (**Shareholder Rights Issue**). Under the Shareholder Rights Issue, Eligible Shareholders may subscribe for one Share for every three Shares held on the record date, and will be issued with one attaching Option with an exercise price of \$AU0.20 and expiring on 13 February 2012, for every three Shares issued; and
- a renounceable rights issue for Eligible Optionholders to raise up to approximately \$AU0.45 million (**Optionholder Rights Issue**). Under the Optionholder Rights Issue, Eligible Optionholders may subscribe for one Share for every three AZXO Options held on the record date, and will be issued with one attaching Option with an exercise price of \$AU0.20 and expiring on 13 February 2012, for every three Shares issued.

The Shareholder Rights Issue will be offered to all shareholders of the Company with a registered address in Australia and New Zealand on the record date of 7pm AEST on 16 July 2010.

Due to the cost of complying with legal and regulatory requirements in your jurisdiction, the Company has determined that it cannot make the Shareholder Rights Issue to you.

However, the Company has appointed a nominee to be issued with, and attempt to procure the sale of, your entitlements under the Shareholder Rights Issue. The nominee will sell your entitlements and send the proceeds of the sale (if any), net of expenses, to you.

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

Yours sincerely



J. J. Lawton
Managing Director