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ASX RELEASE

Rights Issues update

Auzex Resources Limited (**Auzex**) is pleased to announce that its recent Rights Issues to raise approximately AU\$2.8 million closed oversubscribed. The Rights Issues comprised:

- A renounceable rights issue for Eligible Shareholders of one Share for every three Shares recorded against the Eligible Shareholder's name on the Register on the Record Date, with one attaching Option for every three Shares issued
- A renounceable rights issue for Eligible Optionholders of one Share for every three Options recorded against the Eligible Optionholder's name on the Register on the Record Date, with one attaching Option for every three Shares issued.

The Rights Issues closed oversubscribed, with Auzex receiving acceptances and applications for Additional Shares totalling AU\$3.23 million and NZ\$0.37 million.

Auzex's joint venture partner in the Bullabulling Gold Project, Central China Goldfields Plc, took up its full entitlement of AU\$0.24 million.

Scale back

The Directors have resolved to use their discretion to scale back or reduce to zero the number of Additional Shares applied for by any Eligible Shareholder or Eligible Optionholder and to place shares not taken up under the Rights Issues as set out in the prospectus.

Application of funds

The proceeds of the Rights Issues will be used to fast track the Bullabulling Gold Project to bankable feasibility.

The Directors of Auzex believe that the Bullabulling Gold Project will add significant value to the company in the future, particularly in light of the pleasing resource update and drilling results announced on 16 and 19 August 2010 respectively.

It is expected that the shares will be issued and options allotted on Friday 27 August 2010 and holding statements will be despatched on 30 August 2010.

Yours sincerely



J. J. Lawton
Managing Director