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8 September 2010

Mr Greg Seeto
Adviser, Issuers (Brisbane)
Australian Securities Exchange
Level 5, Riverside Centre
123 Eagle Street, Brisbane QLD 4000

ASX RELEASE

Dear Greg

RE: Price Query

I refer to your letter of 7 September 2010 regarding a price query related to a change in the Company's securities. In response to the specific questions contained in your letter, we advise as follows:

- 1. Is the Company aware of any information concerning it that has not been announced which, if known, could be an explanation for recent trading in the securities of the Company?*

The Company is not aware of any information that has not been announced that could be an explanation for the recent trading in the Company's securities.

- 2. If the answer to question 1 is yes, can an announcement be made immediately? If not, why not and when is it expected that an announcement will be made?*

N/A

- 3. Is there any reason to think that the Company may record any material or extraordinary profit for the period ending 30 June 2010? If so, please provide details.*

The Company will record an accounting profit of approximately \$1.5 million on the sale of 50% of the Bullabulling Gold project to Central China Goldfields (CCG) (unaudited). The transactions giving rise to this profit have all been previously announced in detail and are repeated here in summary format. The Company first announced on 7 January 2010 that it had entered into an option to acquire the Bullabulling Gold Project from

Jervois Mining Ltd for a consideration of \$800,000 plus a royalty arrangement. On 4 February 2010 the Company announced it intended to exercise its option to acquire the Bullabulling Gold Project from Jervois Mining Ltd. On 11 February 2010 the Company announced that it had signed a binding heads of agreement with CCG to provide CCG with an option to acquire 50% of the Bullabulling Gold Project for an option exercise fee of \$2.5 million. On 21 March 2010, the Company announced that CCG had formally notified the Company that it intended to exercise its option. On 22 April 2010, the Company announced that the Bullabulling Sale and Purchase Agreement had been signed with Jervois Mining Ltd essentially on the terms previously outlined. On 16 August 2010 the Company announced that the Bullabulling Gold Project acquisition was completed with tenement registration underway.

4. *Is there any other explanation that the Company may have for the price change and increase in volume in the securities of the Company?*

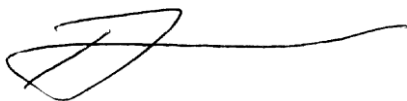
The upgrade in the resource estimate at the Bullabulling Gold Project has been highlighted. Since the closing of the Company's Renounceable Rights Issues on Friday 20 August 2010, the market has been fully informed of progress and, in the Company's view, absorbing the significance of the discovery on its share price. In addition, on 25 August 2010 the Company announced that the rights issues closed oversubscribed indicating strong buying support.

5. *Please confirm that the Company is in compliance with the listing rules and, in particular, listing rule 3.1.*

The Company confirms that it is in compliance with the listing rules and in particular, listing rule 3.1.

Yours sincerely

Auzex Resources Limited



Paul Frederiks

Company Secretary