

19 October 2011

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**ASX RELEASE**

Dear Shareholder

## **RENOUNCEABLE 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.

### **Purpose of the capital raising**

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

### **Entitlements**

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**).

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**

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.

## Entitlement trading

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

To sell your entitlements in part or in full please contact your broker. If you do not have a broker, and hold your shares on the Issuer Sponsored Subregister, you may sell your entitlements by completing a standard renunciation and transfer form together with the transferee, and forwarding that completed form, together with the completed Entitlement and Acceptance Form and payment for any rights that the transferee wishes to take up, to the Company's share registry so that they are received by no later than 5.00pm Sydney time Wednesday 9 November 2011.

## Eligible Shareholders

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

The Company has determined that it is unreasonable to make offers to Shareholders other than Eligible Shareholders having regard to the number of Shareholders outside of Australia and New Zealand, the number and value of the shares that would be offered and the cost of complying with legal and regulatory requirements outside of those countries. Accordingly, Shareholders with a registered address in countries other than Australia and New Zealand will not be eligible to participate in the Rights Issue.

## Company's capital structure

Share capital	Equity Securities
Shares on issue at 19 October 2011	95,193,883
Options quoted on ASX on issue at 19 October 2011	11,925,892 options expiring 13/02/2012 exercisable at \$0.20 (AZXOA)
Options not quoted on ASX on issue at 19 October 2011	1,943,479 options expiring 21/10/2013 exercisable at \$0.15
Maximum shares to be issued under the Rights Issue	19,038,777*
Potential shares on completion of the Rights Issue	114,232,660*

*\*(Subject to the effects of rounding and the number of acceptances under the pro-rata rights issue)*

## Fractional Entitlements

Fractional entitlements will be rounded up to the nearest whole number. Holdings on different registers or sub-registers will not be aggregated to calculate entitlements. Shareholder approval is not required for the Rights Issue.

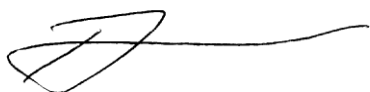
## Acceptances

An offer booklet will be sent to Eligible Shareholders on 2 November 2011 accompanied by a personalised entitlement and acceptance form to subscribe for shares. A copy of the offer booklet will be available on the ASX website at [www.asx.com.au](http://www.asx.com.au) and the Company's website at [www.auzex.com](http://www.auzex.com).

## 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.*



Paul Frederiks  
**Company Secretary**